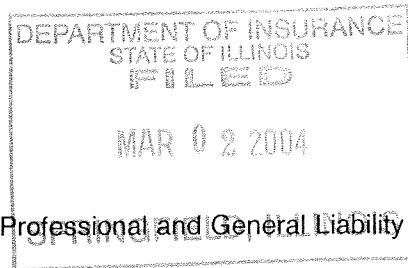


**Allied Health Professional and General Liability
General Rules**



AH - 1

I. APPLICATION OF MANUAL

- A. The rules contained in these pages govern the writing of Professional and General Liability policies for Allied Health professionals.
- B. The rules, rates, rating plans and forms filed on behalf of the Company, and not in conflict herewith, will govern in all cases not specifically provided for herein.

II. POLICY TERM

- A. Policies may be written for a term of one year and renewed annually thereafter.

Coverage may be extended for a period not to exceed sixty (60) days beyond expiration date, subject to the consent of the Company and the rates and forms in effect for the expiring policy term. Premiums for this extension shall be calculated on a pro-rata basis.

Coverage may be renewed, subject to the consent of the Company, for additional periods by payment of a premium calculated according to the company's rates, rules and forms in effect at the time of renewal.

III. PREMIUM COMPUTATION

- A. Premiums at policy inception will be computed using rules, rates and rating plan in effect at that time.
- B. When a policy is issued for other than a whole year, the premiums will be computed on a pro-rata basis.

IV. FACTORS OR MULTIPLIERS

Unless otherwise noted, factors or multipliers are to be applied consecutively, as opposed to being added together.

V. POLICY WRITING MINIMUM PREMIUM

No policy minimum premium applies.

VI. WHOLE DOLLAR RULE

- A. The premium for each peril, coverage or exposure for which a separate premium is calculated will be rounded to the nearest whole dollar as follows:
 - 1. Any value involving \$.50 or more will be rounded up to the next highest whole dollar amount.
 - 2. Any value involving \$.49 or less will be rounded down to the next lowest whole dollar amount.

VII. ADDITIONAL PREMIUM CHARGES

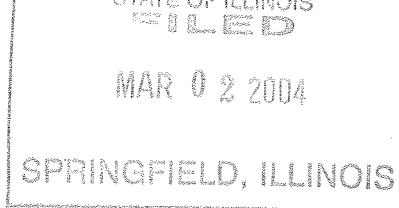
- A. All coverage changes or additions involving additional premiums will be pro-rated based upon the effective date of the change.
- B. The rates and rules that were in effect at the inception date of the policy period are to be used in all additional premium calculations.
- C. Additional premiums of \$24 or less may be waived. This waiver only applies to charges due on the effective date of change endorsements.

VIII. RETURN PREMIUMS

**ACE AMERICAN INSURANCE COMPANY
ACE INSURANCE COMPANY OF ILLINOIS**

Edition 8/2003

Superseded
5-1-07



- A. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
- B. Return premiums are computed using rates in effect at the policy inception.
- C. Return premiums are computed pro rata and rounded in accordance with the whole dollar rule when any coverage or exposure is deleted, or an amount of insurance is reduced.

IX. POLICY CANCELLATIONS

- A. This policy may be canceled flat by the Insured within 60 days of the effective date. Evidence of such cancellation must be received by the Company within the 60-day period.
- B. Any cancellation initiated by the Company more than 60 days from inception will be computed on a pro-rata basis.
- C. Cancellation initiated by the Insured will be computed pro rata less a penalty of 10% unless the same coverage is rewritten by the Company, in which case no penalty shall be applied.

X. COVERAGE

- A. Professional Liability is available on an occurrence or claims made basis.
- B. General Liability is provided on an occurrence or claims made basis.

XI. ELIGIBILITY

Rate Tables I and II under Section XVI. of these rules list the categories of service providers that are eligible for coverage.

The following additional eligibility/rating criteria apply to entities:

- 1. Entities with more than 75 full time equivalent employees will be written on a Refer to Company basis.

II. LIMITS OF LIABILITY

A. The rates displayed in Rate Tables I and II under Section XVI. are to be treated as follows:

1. Table I provides Professional Liability rates for all allied health professionals, other than Optometrists and Opticians, for limits of \$1,000,000/\$3,000,000.

The table below provides the Differential Limits Factors used in calculating Professional Liability rates for other optional limits below \$1,000,000/\$3,000,000. For Differential Limits Factors for limits above \$1,000,000/\$3,000,000, refer to company for the factor to be used.

Aggregate	25	100	200	250	500	1,000
75	0.395					
300		0.632				
500				0.752	0.822	
600			0.712			
750				0.758	0.830	
1,000					0.834	0.944
3,000						1.000

2. Table II provides Professional Liability rates for Optometrists and Opticians for limits of \$1,000,000/\$1,000,000.

The table below provides the Differential Limits Factors used in calculating Professional Liability rates for other optional limits up to \$1,000,000/\$3,000,000. For Differential Limits Factors for limits above \$1,000,000/\$3,000,000, refer to company for the factor to be used.

Per Professional Incident (000) / Aggregate	
100 / 300	0.449
200 / 600	0.590
250 / 750	0.638
300 / 800	0.682
400 / 900	0.760
500 / 1,000	0.816
1,000 / 1,000	1.000
1,000 / 2,000	1.010
1,000 / 3,000	1.020

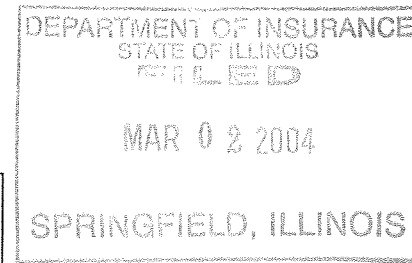
XIII. DEDUCTIBLE

The basic Allied Health Professional Liability policy has no deductible.

For firms or entities, the following deductible options may be selected, and the insured is responsible for the entire amount of each loss up to the selected deductible amount.

Deductible eroded by Indemnity	Factor
\$2,500	.975
\$ 5,000	.950
\$10,000	.925
\$15,000	.900
\$20,000	.875
\$25,000	.850
Over \$25,000	Refer to Company

**Allied Health Professional and General Liability
General Rules**



AH - 4

Deductible eroded by Indemnity and Other Payments	Factor
\$2,500	0.968
\$ 5,000	0.935
\$10,000	0.903
\$15,000	0.870
\$20,000	0.838
\$25,000	0.805
Over \$25,000	Refer to Company

XIV. OPTIONAL COVERAGES

A. Additional Insured

An additional insured may be added to the policy for a charge of \$250, with the exception of certified members of the National Association of Alcoholism and Drug Abuse Counselors (NAADAC) as defined in Note 1 under Rate Table 1 of Section XVI of these rules. For certified members of NAADAC the additional insured charge is \$50. Such additional insureds may include clinics, hospitals, etc., to which the insured may be contracted.

Lessors may be added to the policy as an additional insured at no additional premium. (All other additional insureds must be referred to the Company for underwriting.)

Additional insureds as described in this section will be added on a shared limits basis.

B. General Liability

General Liability is available for an additional premium. The occurrence General Liability premium is calculated at 10% of the mature claims made professional liability premium at the same limit of liability. If the General Liability coverage is provided on a claims made basis then the premium must be calculated as the occurrence premium multiplied by the appropriate step factor. The premium for other limits will be rated on a refer to company basis. Entities (Organizations including Corporations, Partnership, Joint Venture, Trust or Limited Liability Company) are subject to a minimum charge of \$250.

If General Liability coverage is purchased, then Employee Benefits Liability coverage is available at no additional premium.

Insureds that purchase General Liability may obtain coverage for Certified Acts of Terrorism, as defined in the Terrorism Risk Insurance Act of 2002, for an additional premium charge of up to 5% of the otherwise applicable General Liability premium.

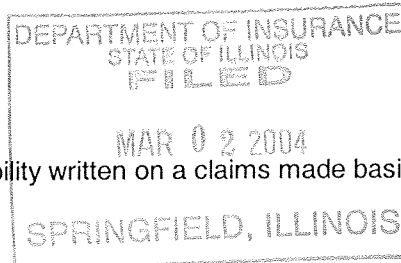
C. Non-Owned Automobile Liability

This coverage option is available for entities only. The premium is calculated by multiplying the applicable rate by the total number of employees. The rates for the available limits options (000) are shown in the table below, along with the minimum premiums applicable to this coverage option.

	\$250/\$250	\$500/\$500	\$1,000/\$1,000	\$1,000/\$3,000
Per Employee Charge	\$14	\$16	\$18	\$20
Minimum Premium	\$250	\$500	\$1,000	\$1,000

D. Claims Made Coverage

**Allied Health Professional and General Liability
General Rules**



AH - 5

The following rating procedures apply to professional liability written on a claims made basis:

1. Determine the applicable occurrence premium.
2. Determine the retroactive date. If the date goes back 5 years or more, the Mature Claims-Made Factor from the Claims Made Step Factor table should be applied to the premium developed in 1. above.

Note: The retroactive date may be advanced only at the request of the insured or with the insured's written acknowledgement.

3. If the allied health professional is just entering practice, has been continuously insured under an occurrence policy or if no prior acts coverage is being provided, select the year 1 claims made factor from the Claims Made Step Factor table and apply it to the occurrence premium determined in 1. above.
4. If the allied health professional has been insured under a claims made policy for one or more years immediately preceding the effective date of the policy to be issued, and prior acts coverage is being provided, the following procedure will apply:
 - a. Determine the number of years in which the allied health professional has been insured under a claims made policy;
 - b. The number determined in a. above will be the "prior years of exposure". Fractional years of 6 months or more will be rounded up to the next higher year; less than 6 months will be rounded down to the next lower year.
 - c. The selection from the Claims Made Step Factor table is made by adding one year to the "prior years of exposure" developed in a. and b. above. The additional year is to account for the new policy to be issued.
 - d. The applicable factor in the Claims Made Step Factor **table** is to be applied to the premium developed in 1. above.

TABLE OF CLAIMS-MADE STEP FACTORS

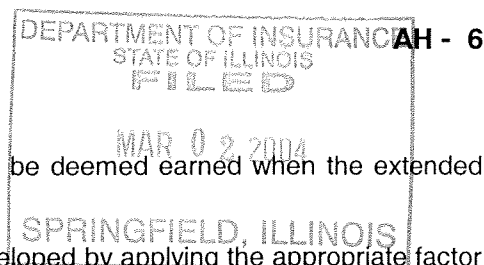
YEARS	STEP FACTORS
YEAR 1	.55
YEAR 2	.69
YEAR 3	.82
YEAR 4	.91
YEAR 5 OR MORE (Mature)	1.00

E. Extended Reporting Period Coverage

An extended reporting period may be provided for up to an unlimited basis, subject to the following:

1. Except as described in 6. below, the extended reporting period is available only if the policy is cancelled or nonrenewed by either the company or the insured.
2. The insured must notify us in writing of his or her election of the extended reporting period within 60 days of the effective date of termination of the policy.
3. Any earned premium due on the policy and the premium for the extended reporting period must be paid in full before the extended reporting period will be effective.

**Allied Health Professional and General Liability
General Rules**



4. The entire premium for the extended reporting period will be deemed earned when the extended reporting period begins.
5. The premium for the extended reporting period will be developed by applying the appropriate factor from the table below to the mature claims made premium for Coverage A otherwise developed for the risk based on the rates and rules in effect for us at the time of purchase of the extended reporting period:

Claims-Made Year	Length of ERP (Years)				
	1	2	3	5	Unlimited
1	0.278	0.428	0.533	0.556	0.579
2	0.424	0.676	0.824	0.847	0.870
3	0.539	0.843	0.995	1.019	1.042
4+	0.602	0.915	1.071	1.095	1.119

6. The premium for the extended reporting period will be waived if the insured is an individual and:
 - i. Dies or becomes totally and permanently disabled during the policy period; or
 - ii. Retires, if at least age 55 and insured for professional liability by us for 5 or more continuous years.

If the insured returns to the practice of his or her professional services after retirement or after a period of total and permanent disability and after the issuance of the extended reporting period Endorsement and premium waiver, the extended endorsement will be cancelled unless the insured contacts us within 30 days to request an extended reporting period without waiver of premium and pays the appropriate extended reporting period premium developed from the rates, rules and rating plans in effect for us at the time of the insured's retirement or disability.

7. The extended reporting period does not increase or reinstate the limits of liability.

F. Leave of Absence

Subject to Company underwriting approval, coverage under an in-force policy may be suspended for a period of not less than 30 days, and not more than six months. This suspension may be made without premium adjustment. The expiration of the policy is extended by the same length of time that the policy was suspended. This feature can be used for a parental leave, medical leave, military call-up to active duty, or a sabbatical.

XV. PREMIUM CALCULATION RULES

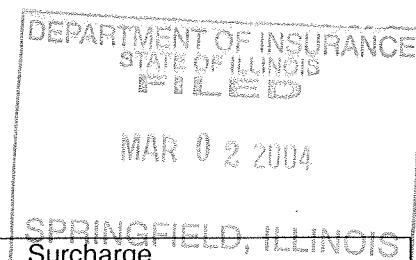
A. Base Rates.

The premium for this policy is calculated on a "per professional" basis. The base rates will be applied in accordance with the allied health professional specialty as shown in Tables I and II of Section XVI. If two or more classifications apply to the same professional, the highest rated classification is to be used.

B. Base Rate Adjustments.

1. Part Time. A part-time base rate adjustment factor of .50 will apply to any individual allied health professional who is self-employed and works 16 hours or less per week.

**Allied Health Professional and General Liability
General Rules**



AH - 7

C. Surcharges

Category	Surcharge
Supplemental Staffing	A surcharge of up to 25% will apply to entities or individuals engaged in supplemental staffing.
Registry	A registry surcharge of up to 25% will apply to entities or individuals that do registry services.
Background Check	A surcharge of up to 10% will apply to entities or individuals not performing background checks on their employees and independent contractors.
Nursing Homes / Assisted Living Centers / Long Term Care Facilities / Prisons	A surcharge of up to 25% will apply to entities or individuals that do staffing of Nursing Home Facilities, Assisted Living Centers, Long Term Care Facilities, or Prisons.
High Tech / Critical Care	A surcharge of up to 25% will apply to entities or individuals engaged in high tech / critical care services, including Surgical, Pediatric, Infusion Therapy, and Tracheotomy/Ventilator Care.

The surcharges shown above are additive if more than one applies, subject to a maximum surcharge of 65%.

D. Full Time Equivalent (FTE).

For all types of risks other than individuals and students, calculate the number of applicable FTEs as follows:

In accordance with the professional rate classifications, sum the total annual hours worked for each classification. Divide each of these totals by classification by 2000 hours (one Full Time Equivalent) to establish the number of FTE slots to be charged for each classification. Fractions of FTE slots per applicable classification grouping will be rounded up to the next highest FTE.

E. Schedule Rating

The schedule rating credit or debit will be equal to the sum of the selected credits or debits given for each of the individual risk characteristics shown in the table below, subject to a maximum credit or debit of 25%.

Characteristic	Max Credit	Max Debit
Claims History	25%	25%
Risk Management	20%	20%
Nature of Operations	15%	15%

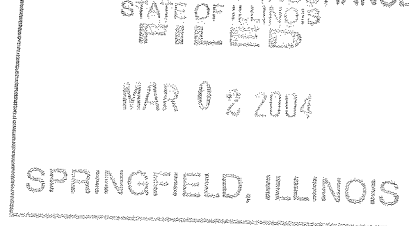
F. Territorial Multiplier

Apply the territorial multiplier shown in the state exception pages. Select the territorial multiplier associated with the territory in which the individual works.

G. Entity Rating Factor

An entity rating factor of up to 1.20 will apply to all entities (Organizations including Corporations, Partnership, Joint Venture, Trust or Limited Liability Company) in addition to any other rating factors that apply, subject to a minimum charge of \$1,000. This rating rule is applied after the application of the increased limits factor but before any other rating factors. This rating rule also applies to student blanket policies.

**Allied Health Professional and General Liability
General Rules**



AH - 8

H. Internet Discount

A 5% credit shall be applied to policies marketed through electronic commerce distribution channels.

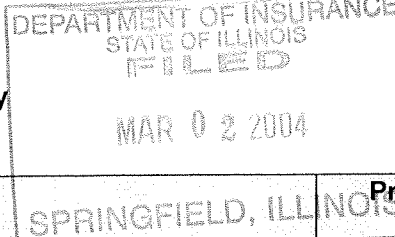
XVI. Rates

Table I

Professional Classification	Professional Rate	Student Rate
Addiction Counselor (NAADAC Program) (1)	199	25
Addiction Counselor (Non-NAADAC) (2)	433	25
Addiction Interventionist	577	N/A
Administrative/Clerical	130	43
All other Aide, Assistant, or Technician	311	104
Art, Music, Dance, Pet, and Recreation Therapist (2)	311	N/A
Audiologist	311	104
Auricular & Full Body Acupuncture Therapy and Counseling	866	286
Auricular Acupuncture Therapy and Counseling	433	143
Behavioral Analyst	433	25
Blood Bank Technician	311	104
Cardiology Technician	311	104
Case Workers and Case Manager (2)	433	144
Certified Employee Assistance Professional	333	25
Certified Tech./ Assistant	311	104
Companion	150	50
Cytotechnologist	311	104
Dental Assistant	130	43
Dental Hygienist	311	104
Dialysis Technician	311	104
Dietician/Nutritionist	311	104
EKG/EEG Technician	311	104
Health Educator (2)	311	104
Home Health Aide	200	67
Homemaker	150	50
Intern Mental Health/Addiction Counselor	311	NA
Lab Technician	311	104
Licensed or Certified Mental Health Counselor (2)	433	25
LPN	311	104
Marriage and Family Therapists/Counselor (2)	433	25
Massage Therapist	577	192
Medical Office Assistant	130	43
Medical Records Technician	311	104
Medical Technologist	311	104
MRI Technician	311	104
Nurse Aide	180	60
Nurse Practitioner	1250	417
Nurse/RN	350	117
Occupational Therapist	400	133
Paramedics/EMTs (Eligible for Students Only)	N/A	200
Pastoral Counselor	433	N/A
Pathology Assistant	311	104
Patient Intake Technician	130	N/A
Personal Coach	433	N/A

**Allied Health Professional and General Liability
General Rules**

AH - 9



Professional Classification	Professional Rate	Student Rate
Pharmacist (Mail Order, Nuclear)	750	250
Pharmacist (Non-Mail Order – Non-Nuclear)	600	200
Pharmacy Assistant	200	67
Pharmacy Technician (Dispensing)	300	100
Phlebotomist	311	104
Physical Therapist	577	192
Physician's Assistant	N/A	667
Psychological Assistant (Masters Degree) (2)	577	N/A
Psychologist (Bachelors or Masters Degree) (2)	1250	N/A
Psychologist (Doctorate Degree)	1250	Post Doctoral 311
Radiological Technologist	311	104
Rehabilitation Counselor/Therapist	433	25
Rehabilitation Counselor/Therapist Assistant	311	N/A
Respiratory Assistant	311	104
Respiratory Therapist	600	200
Social Worker (2)	433	25
Speech Therapist (2)	400	133
Surgical Assistant	N/A	667
Surgical Technologist	311	104
Surgical Technologist/First Assistant	311	104
Ultrasound Technician	311	104
Utilization Review Technician (2)	433	N/A
Volunteer	130	N/A
Wellness Counselor (2)	433	25
X-Ray Machine Operator/Technician	311	104

Note 1. Certified Members of the National Association of Alcoholism and Drug Abuse Counselors (NAADAC) are to be written in conjunction with the Behavioral Health Purchasing Group with the rate shown in Table I for limits of \$ 1,000,000 Per Professional Incident / \$ 3,000,000 Aggregate. This rate contemplates coverage for individuals who have been NCAC certified as members of NAADAC. The only Optional Coverages under Section XIV offered for these members are the Entity Coverage Extension, the Additional Insured Endorsement and Claims Made Coverage.

Note 2. A credit of up to 50% applies to individuals who receive primary professional liability coverage from their employer.

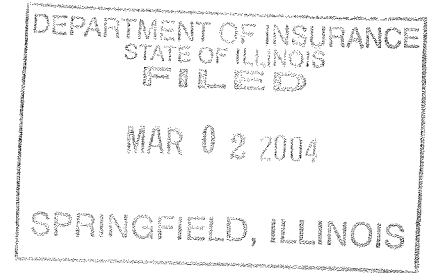
Table II

Allied Health Professional Liability Rate Table – Optometrists/Opticians		
Basic Limits - \$1,000,000 / \$1,000,000		
Professional Classification	Professional Rate	Student Rate
Optometrists	416	139
Opticians	293	98

State Exceptions. Selected countrywide rules are amended as described below:

- I. Under Rule XV. PREMIUM CALCULATION RULES, Rule F., the following Territorial Multiplier applies:

Territory Definitions	Multiplier
1 – Cook County	1.40
2 – Counties of Dupage, Lake and Will	1.20
3 – Remainder of State	1.00



MED. MAL.

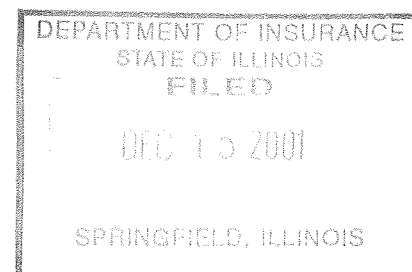
State Exceptions. Selected countrywide rules are amended as described below:

- I. Under Rule XVI. PREMIUM CALCULATION RULES, Rule J., the following Territorial Multiplier applies:

Territory Definitions	Multiplier
1 – Cook County	1.20
2 – Counties of Dupage, Lake and Will	1.00
3 – Remainder of State	0.70

- II. The following is added to the ALLIED HEALTH PROFESSIONAL AND SUPPLEMENTAL LIABILITY FORMS INDEX:

IL	PF- 10628 (08/01)	Amendatory Endorsement - Illinois
	PF- 10652 (08/01)	Claims Made Changes - Illinois
	ALL- 5X45 (11/96)	Questions About Your Insurance?
	PF- 6Y85a (8/2001)	Illinois Changes - Cancellation and Nonrenewal
	CC- 3R87g (5/01)	Signature Endorsement - ACE Insurance Company of Illinois



Revised

ACE AMERICAN INSURANCE COMPANY
(ACE INSURANCE COMPANY OF ILLINOIS)

Edition 9/2001

SUPERCEDED
6-13-03

I. APPLICATION OF MANUAL

- A. The rules contained in these pages govern the writing of Professional and Supplemental Liability policies for Allied Health professionals.
- B. The rules, rates, rating plans and forms filed on behalf of the Company, and not in conflict herewith, will govern in all cases not specifically provided for herein.
- C. Form numbers included within these rules cite generic form numbers without regard to edition. Please refer to the Forms Index for the specific edition of forms approved for use with this program.

II. POLICY TERM

- A. Policies may be written for a term of one year and renewed annually thereafter.

Coverage may be extended for a period not to exceed sixty (60) days beyond expiration date, subject to the consent of the Company and the rates and forms in effect for the expiring policy term. Premiums for this extension shall be calculated on a pro-rata basis.

Coverage may be renewed, subject to the consent of the Company, for additional periods by payment of a premium calculated according to the company's rates, rules and forms in effect at the time of renewal.

III. PREMIUM COMPUTATION

- A. Premiums at policy inception will be computed using rules, rates and rating plan in effect at that time.
- B. When a policy is issued for other than a whole year, the premiums will be computed on a pro-rata basis.

IV. FACTORS OR MULTIPLIERS

Unless otherwise noted, factors or multipliers are to be applied ~~consecutively~~, as opposed to being added together.

V. POLICY WRITING MINIMUM PREMIUM

No policy minimum premium applies.

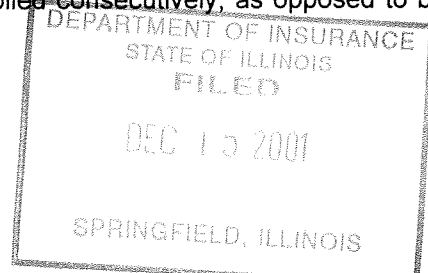
VI. WHOLE DOLLAR RULE

- A. The premium for each peril, coverage or exposure for which a separate premium is calculated will be rounded to the nearest whole dollar as follows:

1. Any value involving \$.50 or more will be rounded up to the next highest whole dollar amount.
2. Any value involving \$.49 or less will be rounded down to the next lowest whole dollar amount.

VII. ADDITIONAL PREMIUM CHARGES

- A. All coverage changes or additions involving additional premiums will be pro-rated based upon the effective date of the change.
- B. The rates and rules that were in effect at the inception date of the policy period are to be used in all additional premium calculations.



- C. Additional premiums of \$24 or less may be waived. This waiver only applies to charges due on the effective date of change endorsements.

VIII. RETURN PREMIUMS

- A. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
- B. Return premiums are computed using rates in effect at the policy inception.
- C. Return premiums are computed pro rata and rounded in accordance with the whole dollar rule when any coverage or exposure is deleted, or an amount of insurance is reduced.

IX. POLICY CANCELLATIONS

- A. This policy may be canceled flat by the Insured within 60 days of the effective date. Evidence of such cancellation must be received by the Company within the 60-day period.
- B. Any cancellation initiated by the Company more than 60 days from inception will be computed on a pro-rata basis.
- C. Cancellation initiated by the Insured will be computed pro rata less a penalty of 10% unless the same coverage is rewritten by the Company, in which case no penalty shall be applied.

X. COVERAGE

- A. Professional Liability is available on an occurrence or claims made basis.
- B. Supplemental Liability is provided on an occurrence basis.

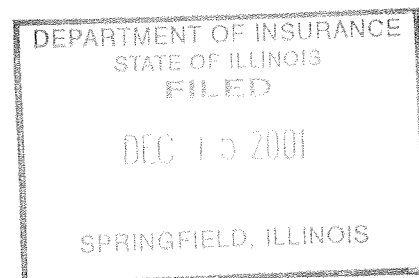
XI. ELIGIBILITY

Rate Tables I and II under Section XVIII. of these rules list the categories of employed*, self-employed, or contracted** allied health professionals, allied health students, and allied health related service provider entities which are eligible for coverage.

- * "Employed allied health professional" means an individual who receives primary professional liability coverage from his or her employer.
- ** "Contract allied health professional" means an individual who provides a service on a regular basis under a written agreement to a single firm, corporation, association or entity who in turn reports the compensation of the contract worker on an Internal Revenue Services Form 1099. Contract allied health professionals are to be rated in the same manner as employees if they make application for individual professional liability coverage.

The following allied health categories are not eligible for coverage under this policy:

- 1. Emergency Medical Technicians and Paramedics
- 2. Nurse Anesthetists.
- 3. Nurse Mid-wives



XII. LIMITS OF LIABILITY

A. Optional limits of liability are available with this policy. The maximum limits available are as follows:

- | | | |
|----------------------------|--------------|----------------------------|
| 1. Professional Liability: | \$ 2,000,000 | Each Professional Incident |
| | \$10,000,000 | Aggregate |
| 2. Supplemental Liability | \$1,000,000 | Each Occurrence |
| | \$6,000,000 | Aggregate |

Note: Supplemental Liability limits must be no greater than the professional liability limits.

B. The rates displayed in Rate Tables I and II under Section XVIII. are to be treated as follows:

- Table I provides Professional Liability rates for all allied health professionals, other than Optometrists and Opticians, for limits of \$1,000,000/\$3,000,000.

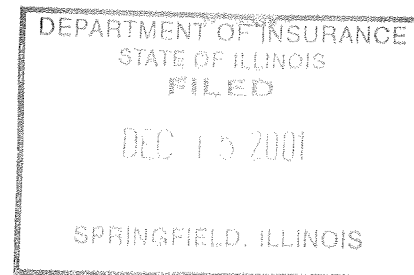
The table below provides the Differential Limits Factors used in calculating Professional Liability rates for other optional limits.

Aggregate	Per Professional Incident (000)						
	25	100	200	250	500	1,000	2,000
75	0.395						
300		0.632					
500				0.752	0.822		
600			0.712				
1,000					0.834	0.944	
3,000						1.000	
4,000							1.233
5,000						1.007	1.243
6,000						1.010	1.255
7,000						1.013	1.258
8,000						1.017	1.262
9,000						1.020	1.265
10,000						1.024	1.269

- Table II provides Professional Liability rates for Optometrists and Opticians for limits of \$1,000,000/\$1,000,000.

The table below provides the Differential Limits Factors used in calculating Professional Liability rates for other optional limits.

Per Professional Incident (000) / Aggregate	
100 / 300	0.449
200 / 600	0.590
250 / 750	0.638
300 / 800	0.682
400 / 900	0.760
500 / 1,000	0.816
1,000 / 1,000	1.000
1,000 / 2,000	1.010
1,000 / 3,000	1.020



Per Professional Incident (000) / Aggregate	
2,000 / 2,000	1.145
3,000 / 3,000	1.260
4,000 / 4,000	1.325
5,000 / 5,000	1.375

- C. The rates shown in section XV. Optional Coverages, C. General Liability – Entities, are based upon limits of \$1,000,000/\$3,000,000. The table below provides the Differential Limits Factors to be used in calculating rates for other optional limits.

Per Occurrence (000)					
	25	100	200	500	1,000
75	0.545				
300		0.759			
600			0.849	0.925	
1,000				0.940	0.970
3,000					1.000
5,000					1.023
6,000					1.025

- D. For professional liability limits higher than \$1,000,000/\$3,000,000 the following minimum premiums are to be used if the difference between the \$1,000,000/\$3,000,000 limit and the higher chosen limit is less than the amount indicated in the table below:

Per Incident (000)	Aggregate (000)	Min Prem
1,000	5,000	\$15
1,000	6,000	\$20
1,000	7,000	\$25
1,000	8,000	\$30
1,000	9,000	\$35
1,000	10,000	\$40
2,000	4,000	\$35
2,000	5,000	\$50
2,000	6,000	\$65
2,000	7,000	\$75
2,000	8,000	\$80
2,000	9,000	\$85
2,000	10,000	\$90

DEPARTMENT OF INSURANCE
STATE OF ILLINOIS
FILED
DEC 17 2001
SPRINGFIELD, ILLINOIS

- E. Professional Liability may be written with claims expenses subject to the limit of liability, claims expenses covered outside the limit of liability, or claims expenses subject to a limit of liability separate from the limit that applies to damages. The basic Allied Health Professional Liability policy covers claims expenses **outside** of the policy limits.

- For limits of \$1,000,000 per incident and lower the insured may elect to include claims expenses within the policy limits. The table below provides the factors that are to be applied to the professional liability premium for policies issued with claims expenses included **within** the policy limits.

Limit (000) per Professional Incident	Factor
25	0.900
100	0.920
200	0.960
250	0.965
500	0.980
1,000	0.990
2,000	N/A

2. The insured may elect to have claims expenses subject to separate equal limits. The table below provides the factors that are to be applied to the professional liability premium for policies issued with claims expenses subject to **separate equal** limits.

Limit (000) per Professional Incident	Factor
25	0.950
100	0.990
Over 100	Refer to Company

For policies issued with claims expenses subject to separate equal limits of liability, attach the following to the applicable defense within limits version of the policy form:

Optional Endorsement: PF-10642 Claims Expenses Limits -
Occurrence
Or
PF10643 Claims Expenses Limits -
Claims Made

- F. All policies are written on a shared limit basis, unless an individual insured chooses to have the corporation or partnership added as an additional insured with separate limits extended to cover that additional insured (see XV. OPTIONAL COVERAGES, A. Entity Coverage Extension – Corporation, Partnership, or Association).

The Corporation, Partnership or Association entity may be added as an additional insured on a shared limits basis for no charge using the following endorsement:

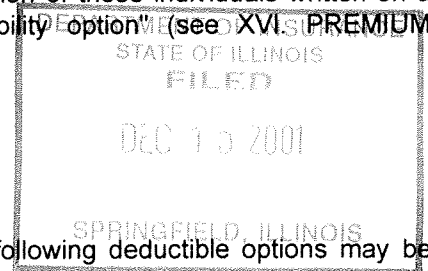
Optional Endorsement: PF-8Y12 Additional Insured – Corporation, Partnership, or Association

Shared limits means a single limit of liability that applies to each professional incident, offense or occurrence, regardless of the number of insureds involved in the incident. A shared Aggregate limit of liability will apply per policy period to all insureds, with the exception of those individuals written on a blanket basis who choose a "separate aggregate limit of liability option" (see XVI. PREMIUM CALCULATION RULES, E. Student Blanket).

XIII. DEDUCTIBLE

The basic Allied Health Professional Liability policy has no deductible.

For firms or entities with a headcount of 3 or more individuals, the following deductible options may be selected. A flat deductible may be selected, whereby the insured is responsible for the entire amount of



each loss up to the selected flat deductible amount. Alternatively, a participating deductible may be selected, whereby the insured is responsible for 50% of each loss subject to the participating deductible amount. The factors shown in the table below are to be applied to the Modified Base Premium calculated for the policy.

Flat Deductible	Factor
\$ 5,000	.950
\$10,000	.925
\$15,000	.900
\$20,000	.875
\$25,000	.850
Over \$25,000	Refer to Company

Participating Deductible	Factor
\$ 5,000	.963
\$10,000	.938
\$15,000	.915
\$20,000	.895
\$25,000	.881
Over \$25,000	Refer to Company

The following endorsements are used to add this coverage:

Optional Endorsements:

Flat Deductible	PF-8Y15	Liability Deductible Endorsement
Participating Deductible	PF-10644	Participating Deductible Endorsement

XIV. REQUIRED COVERAGES OR ENDORSEMENTS

The two broad categories of allied health professionals and provider entities used to define the required coverages are as follows:

A. Employed Allied Health Professional

Allied health professionals who are employed, as defined in Rule XI. ELIGIBILITY, are to be written using one of the following coverage forms:

Coverage Form:	Title
PF10686	Allied Health Professional and Supplemental Liability Policy (Employed Individuals –Claims Made with Defense Within Limits)
PF-10688	Allied Health Professional and Supplemental Liability Policy (Employed Individuals –Claims Made with Defense Outside Limits)
PF-10682	Allied Health Professional and Supplemental Liability Policy (Employed Individuals –Occurrence with Defense Within Limits)
PF-10684	Allied Health Professional and Supplemental Liability Policy (Employed Individuals – Occurrence with Defense Outside Limits)

1. Professional Liability	Selected Professional Liability Limit
Personal Injury	Included
2. Licensing Board Defense	\$5,000 Each Investigation/\$10,000 Policy Term
3. Supplemental Liability	Selected Supplemental Liability Limit
4. Medical Expense Coverage	\$2,000 Per Person/\$100,000 Aggregate
5. First Aid Coverage	\$2,500 Aggregate
6. Assault Coverage	\$5,000 Aggregate
7. Defendant's Reimbursement	\$500 Per Day/\$10,000 Per Incident/Occurrence
8. Deposition Fees and Expenses	\$5,000 Per Deposition
9. Damage to Property of Others	\$500 Each Occurrence / \$5,000 in Policy Term

B. Self-Employed Allied Health Professional or Business Entity

Business entities or allied health professionals who are self-employed are to be written using one of the following coverage forms:

Coverage Form:	Title
PF-10678	Allied Health Professional and Supplemental Liability Policy (Self-Employed/Entity –Claims Made with Defense Within Limits)
PF-10680	Allied Health Professional and Supplemental Liability Policy (Self-Employed/Entity –Claims Made with Defense Outside Limits)
PF-10674	Allied Health Professional and Supplemental Liability Policy (Self-Employed/Entity –Occurrence with Defense Within Limits)
PF-10676	Allied Health Professional and Supplemental Liability Policy (Self-Employed/Entity – Occurrence with Defense Outside Limits)

1. Professional Liability	Selected Professional Liability Limit
Personal Injury and Advertising Injury	Included
2. Licensing Board Defense	\$5,000 Each Investigation/\$10,000 Policy Term
3. Supplemental Liability	Selected Supplemental Liability Limit
General Liability	Included
Host Liquor Liability	Included
4. Fire & Water Damage Legal Liability	\$100,000
5. Medical Expense Coverage	\$2,000 Per Person/\$100,000 Aggregate
6. First Aid Coverage	\$2,500 Aggregate
7. Assault Coverage	\$5,000 Aggregate
8. Defendant's Reimbursement	\$500 Per Day/\$10,000 Per Incident/Occurrence
9. Deposition Fees and Expenses	\$5,000 Per Deposition
10. Damage to Property of Others	\$500 Each Occurrence / \$5,000 in Policy Term

C. Physical Abuse or Sexual Misconduct Defense

The Allied Health Professional and Supplemental liability policy excludes coverage for physical abuse and sexual misconduct coverage. However, defense coverage is provided for such allegations up to \$100,000 each claim.

This endorsement will apply to any risk that has sustained any physical abuse or sexual misconduct claim within the past 5 years.

The following endorsement is to be used for this purpose:

Mandatory Endorsement: PF-8Y73 Sexual Misconduct – Limited Defense Endorsement

XV. OPTIONAL COVERAGES OR ENDORSEMENTS

A. Entity Coverage Extension - Corporation, Partnership, or Association

Professional Liability coverage can be extended to the professional corporation, partnership, or association entity for liability arising from the actions of the employed allied health professional named in the Declarations. Coverage is provided on a shared limit basis for no additional premium.

If separate limits are to be extended to a corporation, partnership, or association, the limits must be equal to the highest limits provided to any one individual member allied health professional. The premium charge for this extension is 10% of the total professional liability premium.

Optional Endorsement: PF-8Y12 Additional Insured – Corporation, Partnership, or Association

B. Additional Insured

An additional insured may be added to the policy for a charge of 10% of the professional liability premium, subject to a minimum premium of \$50. Such additional insureds may include outpatient surgical centers, hospitals, etc., to which the insured may be contracted.

Lessors may be added to the policy as an additional insured at no additional premium. (All other additional insureds must be referred to the Company for underwriting.)

Additional insureds as described in this section will be added on a shared limits basis.

The following endorsements are used to add this coverage:

Optional

Endorsements:

PF-8Y16	Additional Insured Endorsement
PF- 2W95	Additional Insured (Leased Premises)
PF-2W96	Additional Insured (Leased Equipment)

C. General Liability – Entities.

General Liability (part of Supplemental Liability) is automatically included for employed individuals and self-employed individuals. Entities or firms that are purchasing Professional Liability may obtain General Liability for an additional premium. The premium at limits of \$1,000,000 per Occurrence and \$3,000,000 Aggregate is as follows:

Locations	Premium
First	\$181
Each Additional	\$122

DEPARTMENT OF INSURANCE
STATE OF ILLINOIS
FILED

DEC 15 2001

The maximum General Liability limit available is \$1,000,000 per Occurrence / \$6,000,000 Aggregate. Use the Differential Limits Factors (section XII. C.) to determine the at-limits premium for alternative limits of liability. In all cases, however, the General Liability limit can be no greater than the Professional Liability limit.

The at-limits Supplemental Liability premium is added to the **Total Policy Premium** developed below (section XVII. PREMIUM CALCULATION).

If entities or firms do not desire to purchase General Liability, it must be excluded by endorsement and

no charge is made. The following endorsement is used for that purpose.

Optional Endorsement: PF-6Y07 General Liability Exclusion

D. Non-Owned Automobile Liability

This coverage option is available for entities only. The premium for firms with 1 – 10 employees is based upon a flat charge. For entities with 11 or more employees the premium is calculated by multiplying the rate by the total number of employees. The rates for the available limits options (000) are shown in the table below.

# Employees	Charge	\$500/\$500	\$1,000/\$1,000	\$1,000/\$3,000
1 – 10	Flat	\$78	\$89	\$100
11 or More	Per Emp	\$8	\$9	\$10

The following endorsement is used to add this coverage:

Optional Endorsement: PF-5Y68 Non-owned Automobile

E. Claims Made Coverage

The following rating procedures apply to professional liability written on a claims made basis:

1. Determine the applicable occurrence premium for the category of allied health professional and limits of liability in accordance with XVI. Premium Calculation Rules.
2. Determine the retroactive date. If the date goes back 5 years or more, the Mature Claims-Made Factor from the Claims Made Step Factor table should be applied to the premium developed in 1. above.

Note: The retroactive date may be advanced only at the request of the insured or with the insured's written acknowledgement.

3. If the allied health professional is just entering practice, has been continuously insured under an occurrence policy or if no prior acts coverage is being provided, select the year 1 claims made factor from the Claims Made Step Factor table and apply it to the occurrence premium determined in 1. above.
4. If the allied health professional has been insured under a claims made policy for one or more years immediately preceding the effective date of the policy to be issued, and prior acts coverage is being provided, the following procedure will apply:
 - a. Determine the number of years in which the allied health professional has been insured under a claims made policy;
 - b. The number determined in a. above will be the "prior years of exposure". Fractional years of 6 months or more will be rounded up to the next higher year; less than 6 months will be rounded down to the next lower year.
 - c. The selection from the Claims Made Step Factor table is made by adding one year to the "prior years of exposure" developed in a. and b. above. The additional year is to account for the new policy to be issued.

- d. The applicable factor in the Claims Made Step Factor table is to be applied to the premium developed in 1. above.

TABLE OF CLAIMS-MADE STEP FACTORS

YEARS	STEP FACTORS
YEAR 1	.45
YEAR 2	.69
YEAR 3	.82
YEAR 4	.91
YEAR 5 OR MORE (Mature)	.95

F. Extended Reporting Period Coverage

1. Basic Extended Reporting Period

A "Basic Extended Reporting Period" is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 60 days.

2. Supplemental Extended Reporting Period

A "Supplemental Extended Reporting Period" may be provided for 1, 2 or 3 years, subject to the following:

- Except as described in f. below, the "Supplemental Extended Reporting Period" is available only if the policy is cancelled or nonrenewed by either the company or the insured.
- The insured must notify us in writing of his or her election of the "Supplemental Extended Reporting Period" within 60 days of the effective date of termination of the policy.
- Any earned premium due on the policy and the premium for the "Supplemental Extended Reporting Period" must be paid in full before the "Supplemental Extended Reporting Period" will be effective.
- The entire premium for the "Supplemental Extended Reporting Period" will be deemed earned when the "Supplemental Extended Reporting Period" begins.
- The premium for the "Supplemental Extended Reporting Period" will be developed by applying the appropriate factor from the table below to the mature claims made premium for Coverage A otherwise developed for the risk based on the rates and rules in effect for us at the time of purchase of the "Supplemental Extended Reporting Period":

Claims-Made Year	Length of SERP (Years)		
	1	2	3
1	0.278	0.428	0.533
2	0.424	0.676	0.824
3	0.539	0.843	0.995
4+	0.602	0.915	1.071

- The premium for the "Supplemental Extended Reporting Period" will be waived if the insured is an individual and:

- i. Dies or becomes totally and permanently disabled during the policy period; or
- ii. Retires, if at least age 55 and insured for professional liability by an ACE Group company or any of its predecessor companies for 5 or more continuous years.

If the insured returns to the practice of his or her professional services after retirement or after a period of total and permanent disability and after the issuance of the Supplemental Extended Reporting Period Endorsement and premium waiver, the Supplemental Extended Endorsement will be cancelled unless the insured contacts us within 30 days to request an optional extended reporting period and pays the appropriate Supplemental Extended Reporting Period premium developed from the rates, rules and rating plans in effect for us at the time of the insured's retirement or disability.

- g. The "Supplemental Extended Reporting Period" does not increase or reinstate the limits of liability.

The following endorsement is used to add this coverage:

Optional Endorsement: PF-10645 Supplemental Extended Reporting Period Endorsement

G. Prior Acts

When an Insured is converting from a claims-made form to occurrence coverage provided under this program, subject to prior approval of the Company, Prior Acts coverage may be purchased on a selected basis. The following rules apply:

1. Coverage is available only for non-interrupted claims-made coverage immediately preceding the effective date of this policy.
2. The premium for Prior Acts coverage is a one-time charge which will be fully earned at inception. The Company will not return to the Insured any portion of the Prior Acts premium for any reason once the coverage has been initiated.
3. The Prior Acts premium is determined for each individual by applying the appropriate factor from the table below to the annual professional liability rate found in Tables I and II in section XVIII. For partial claims-made periods use the closest factor.

Claims-Made Period	Factor
1 to 90 Days	.10
91 to 180 Days	.25
One Year	.50
Two Years	.75
Three Years	.90
Four or More Years	1.00

Note: *The Retroactive Date may be advanced only at the request of the insured or with the insured's written acknowledgement.*

The following endorsement is used to add this coverage:

Optional Endorsement: PF-1U24 Professional Liability Retroactive Coverage Endorsement

H. Leave of Absence

Subject to Company underwriting approval, coverage under an in-force policy may be suspended for a period of not less than 30 days, and not more than six months. This suspension may be made without premium adjustment. The expiration of the policy is extended by the same length of time that the policy was suspended. This feature can be used for a parental leave, medical leave, military call-up to active duty, or a sabbatical.

The following endorsement is used to add this coverage:

Optional Endorsement: PF-5Y76 Leave of Absence with Automatic Reinstatement

I. General Change Endorsement

Corrections to errors or oversights in policy issuance, limits/deductible changes or optional coverage additions/deletions may be made to the policy at the request of the insured.

The following endorsement is to be used for this purpose:

Optional Endorsement: PF-1Y17 General Change Endorsement

Note: *No amendments may be made to policy or endorsement wording without an Individual Risk Filing and approval of the Department of Insurance.*

XVI. PREMIUM CALCULATION RULES

A. Base Rates.

The premium for this policy is calculated on a "per professional" basis. The base rates will be applied in accordance with the allied health professional specialty as shown in Table I (section XVIII.). If two or more classifications apply to the same professional, the highest rated classification is to be used.

B. Base Rate Adjustments.

1. Part Time. A part-time base rate adjustment factor of .50 will apply to any individual allied health professional who is self-employed and works 20 hours or less per week. This factor is applied to the "Self-employed" rate from Table I or II in section XVIII..

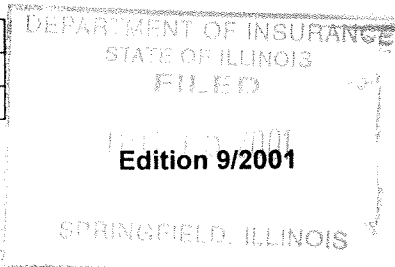
A part-time base rate adjustment factor of .25 will apply to any employed individual allied health professional who, in addition to regular employment, works less than 10 hours per week in a self-employed capacity. This premium is first developed by multiplying the "Self-Employed" rate by .25 and adding the result to the full "Employed" rate.

2. New Graduate. A new graduate base rate adjustment factor of .50 will be applied for the first year of coverage, and a .75 rate adjustment factor for the second year of coverage. A new graduate is defined as an allied health professional within 12 months following graduation from an accredited institution leading to licensure or certification in the profession specified in the Declarations.
3. Entity or Firm Size. A base rate adjustment factor will be applied for corporations, partnerships, or associations based upon the rateable insured headcount as shown in the table below:

Headcount	Factor
3 – 5	.96
6 – 10	.94

Revised

**ACE AMERICAN INSURANCE COMPANY
ACE INSURANCE COMPANY OF ILLINOIS**



Headcount	Factor
11 – 15	.92
16 – 20	.90
21 or More	.85

Headcount means the total number of ratable insureds (owners, partners, officers, and professional employees) and does not include independent contractors or additional insureds.

Student Blanket policies are not eligible for the entity or firm size rate adjustment.

4. Risk Management. A risk management rate credit of 10% will be applied to the base rate upon completion of continuing education courses. Course content must include one or more of the following topics: patient communications; documentation; informed consent; confidentiality of records; fall and burn management; or litigation and other legal issues.

Subject to underwriting approval and verifiable participation, courses must be completed by the insured within 24 months of the policy effective date. This credit will be reapplied to subsequent policy periods as long as the course completion date is within 24 months of the policy effective date.

Only one such rate credit may be applied to the policy at one time. In order for entities (corporations, partnerships, or associations) to be eligible for the risk management rate credit, 50% of the rateable headcount must meet the continuing education requirement. Student Blanket policies are not eligible. Risk Management rate credits may only be applied at inception.

The lowest **total base rate adjustment factor** applicable under this rule for any insured is .50. The only exception to this rule applies for part-time, self-employed allied health professionals who work less than 10 hours per week, in which case the lowest base rate adjustment factor is .25.

C. Experience Rating.

Loss Experience. Individuals or entities that have been in business for at least 3 years are eligible for a 10% loss free credit if there have been no claims or incidents reported in the past 3 years that resulted in any paid indemnification or in claims expenses of \$5,000 or more.

D. Expense Modification.

The policy premium contemplates standard allowances for expense. If expenses other than for commission level (addressed under paragraph H. of this section) vary from the standard, the premium may be modified to reflect this difference. The maximum reduction in expense modification permitted is 5%. Expenses may not be increased.

E. Student Blanket.

Coverage may be provided to students of an accredited school or university on a blanket basis for activities that are required as a part of the allied health professional school curriculum at the specified school or university. It is common for the school or university to apply for professional liability coverage on behalf of their allied health students. It is important to understand however, that the "primary" insured for any such coverage would be the students of the school, and not the school itself.

Student Blanket coverage is to be written using the Employed Individuals policy form and rates. The rates for this coverage are per student, and include the allied health school faculty members, but only as respects their supervision or instruction of the students being insured. A separate aggregate limit of liability per student is available up to a \$3,000,000 maximum, at an additional charge of 5% of the total professional liability premium.

The following endorsement is used to add this coverage:

Optional Endorsement: PF-8Y55 Blanket Student Professional Liability Endorsement
(Including Faculty Members as Additional Insureds)

The school itself may be added as an additional insured for a premium charge of 25% of the total student generated premium. The minimum premium for covering the school is \$100.

The following endorsement is used to add this coverage:

Optional Endorsement: PF-8Y54 Blanket Student Professional Liability Endorsement
(Including School and Faculty Members as Additional Insureds)

Professional areas or occupations not specified in the application for insurance, if approved by the company may be added for coverage under this policy by endorsement.

The following endorsement is used for this purpose:

Optional Endorsement: PF-8Y14 Blanket Student Professional Liability – Additional Activities

F. Full Time Equivalent (FTE).

This rating method is used for entities or firms who utilize one or more eligible health care professionals who are working on an average of less than 40 hours per week.

In accordance with the professional rate classifications, sum the total annual hours worked for each classification. Divide each of these totals by classification by 2000 hours (one Full Time Equivalent) to establish the number of FTE slots to be charged for each classification. Fractions of FTE slots per applicable classification grouping will be rounded up to either Part Time or Full Time slots based upon the following:

- a. Between .01 and .50 will be considered one Part Time FTE and rated according XVI. PREMIUM CALCULATION RULES. B. 1. Part Time discount.
- b. Between .51 and 1.00 will be considered one Full Time FTE.

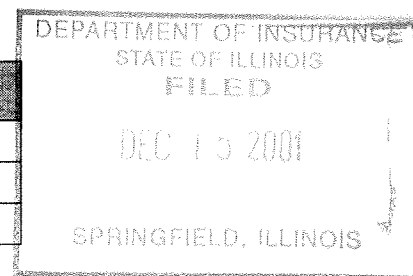
G. Internet Credit

A 5% credit shall be applied to policies marketed through an E-Commerce distribution channel.

H. Premium Discount by Commission Level

Premium factors shall apply to the manual rate to account for any reduced commission in accordance with the following table:

Commission Level	Premium Factor	Commission Level	Premium Factor
27.5%	100.0	19.5%	90.0
26.5%	98.6	18.5%	88.9
25.5%	97.2	17.5%	87.8



Commission Level	Premium Factor	Commission Level	Premium Factor
24.5%	95.9	16.5%	86.8
23.5%	94.7	15.5%	85.8
22.5%	93.4	14.5%	84.9
21.5%	92.3	13.5%	83.9
20.5%	91.1	12.5%	83.0

I. Schedule Rating

Firms or entities with a headcount of 6 or more individuals are eligible for schedule rating. The schedule rating credit or debit will be equal to the sum of the selected credits or debits given for each of the individual risk characteristics shown in the table below, subject to a maximum credit or debit of 25%.

Characteristic	Max Credit	Max Debit
Qualifications and experience of owners, partners, and/or corporate officers.	10%	10%
Timeliness and quality of responses to company requests.	5%	5%
Type of equipment used and its impact on patient care.	5%	5%
Adequacy of staffing and selection, supervision, and experience of staff personnel.	5%	5%
Peculiarities of classification.	10%	10%

J. Territorial Multiplier

Apply the territorial multiplier shown in the state exception pages. Select the territorial multiplier associated with the territory in which the individual works.

XVII. PREMIUM CALCULATION

A. Professional Liability - Employed Individual.

Step 1. Determine **Base Rate (BR)**. Depending upon allied health classification of individual, select appropriate "employed" **Base Rate** from Table I or II (section XVIII. RATES).

Step 2. Calculate a **Base Rate Modification Factor (BRMF)** using the preceding PREMIUM CALCULATION RULES. Convert all credit percentages to a factor (example: a 10% credit converts to a .90 factor). Multiply all of the applicable factors consecutively (do not round) to arrive at a composite factor.

Step 3. Develop a **Modified Base Rate (MBR)** using the following formula:

$$\text{MBR} = \text{Base Rate} \times \text{Base Rate Modification Factor}$$

Step 4. Develop the **Total Policy Premium (TPP)** as follows:

- Select the applicable Professional Limits of Liability factor (XII. B.) to establish the **Limits Modification Factor (LMF)**
- Multiply the **Modified Base Rate** by the **Limits Modification Factor**.

- c. Multiply the result in step b. by the adjustment factors in Rules XVI. C., D., G., H., I., and J. as applicable.
- d. Compute the desired optional coverage premiums (XV. OPTIONAL COVERAGES) and add to or modify the result of the calculation from step c.

$$\text{TPP} = (\text{LMF} \times \text{MBR}) \times \text{Adjustment Factors} + \text{Optional Coverages}$$

B. Professional Liability - Self-Employed Individual.

- Step 1.** Determine **Base Rate (BR)**. Depending upon allied health classification of individual, select appropriate "self-employed" **Base Rate** from Table I or II (section XVIII. RATES).
- Step 2.** Calculate a **Base Rate Modification Factor (BRMF)** using the preceding PREMIUM CALCULATION RULES. Convert all credit percentages to a factor. Multiply all of the applicable factors consecutively (do not round) to arrive at a composite factor.
- Step 3.** Develop a **Modified Base Rate (MBR)** using the following formula:

$$\text{MBR} = \text{Base Rate} \times \text{Base Rate Modification Factor}$$

- Step 4.** Develop the **Total Policy Premium (TPP)** as follows:
 - a. Select the applicable Professional Limits of Liability factor (XII. B.) to establish the **Limits Modification Factor (LMF)**.
 - b. Multiply the **Modified Base Rate** by the **Limits Modification Factor**.
 - c. Multiply the result in step b. by the adjustment factors in Rules XVI. C., D., G., H., I., and J., as applicable.
 - d. Compute the desired optional coverage premiums (XV. OPTIONAL COVERAGES) and add to or modify the result of the calculation from step c.

$$\text{TPP} = (\text{LMF} \times \text{MBR}) \times \text{Adjustment Factors} + \text{Optional Coverages}$$

C. Professional Liability – Entity.

- Step 1.** Develop **Base Premium (BP)** as follows:
 - a. Depending upon the professional classification of employed individuals, select the appropriate "Self-employed" **Base Rates** from Table I or II (section XVIII. RATES). Multiply the **Base Rate** for each classification and territory by the applicable territorial multiplier as described in Rule XVI.J., and by the number of individuals in that category to arrive at **Base Premiums**.
 - b. Select the appropriate "Self-employed" **Base Rate** from Table I or II (section XVIII. RATES) for each owner, partner, and/or corporate officer active as professional practitioners in the business of the insured. Multiply the Base Rate for each owner, partner, and/or corporate officer by the applicable territorial multiplier as described in Rule XVI.J. to arrive at Base Premiums.
 - c. Add the **Base Premiums** for all employees and owners/partners/corporate officers together.

Step 2. Calculate a **Base Premium Modification Factor (BPMF)** using the preceding PREMIUM CALCULATION RULES. Convert all credit percentages to a factor. Multiply all of the applicable factors consecutively (do not round) to arrive at a composite factor.

Step 3. Develop a **Modified Base Premium (MBP)** using the following formula:

$$\text{MBR} = \text{Base Premium} \times \text{Base Premium Modification Factor}$$

Step 4. Develop the **Total Policy Premium (TPP)** as follows:

- a. Select the applicable Professional Limits of Liability factor (XII. B.).
- b. If a deductible option is desired, select the appropriate factor (XIII.).
- c. Multiply the limits factor by the deductible factor to establish the Limits/Deductible **Modification Factor (LDMF)**.
- d. Multiply the **Modified Base Premium** by the Limits/Deductible Modification Factor.
- e. Multiply the result in step d. by the adjustment factors in Rules XVI. C., D., G., H., and I. as applicable.
- f. Compute the desired optional coverage premiums (XV. OPTIONAL COVERAGES) and add to or modify the result of the calculation from e.

$$\text{TPP} = (\text{LDMF} \times \text{MBR}) \times \text{Adjustment Factors} + \text{Optional Coverages}$$

XVIII. Rates

Table I

Allied Health Professional Liability Rate Table – Except Optometrists/Opticians		
Basic Limits - \$1,000,000 / \$3,000,000		
Professional Classification	Employed Rate	Self-employed Rate
CATEGORY I		
Medical Office Assistant	54	163
Dental Assistant	54	163
Patient Intake Technician	54	163
Volunteer	54	163
CATEGORY II		
Cardiology Technician	89	311
Surgical Technologist	89	311
Clinical Pathologist	89	311
Dental Hygienist	89	311
Dietician/Nutritionist	89	311
EKG/EEG Technician	89	311
Lab Technician	89	311
Medical Records Technician	89	311
MRI Technician	89	311
Radiological Technologist	89	311
X-Ray Machine Operator/Technician	89	311
Ultrasound Technician	89	311
Phlebotomist	89	311

Allied Health Professional Liability Rate Table – Except Optometrists/Opticians		
Basic Limits - \$1,000,000 / \$3,000,000		
Professional Classification	Employed Rate	Self-employed Rate
Utilization Review Technician	89	311
Audiologist	89	311
Electrologist	89	311
Health Educator	89	311
CPR Trainers	89	311
Rehabilitation Therapist Assistants	89	311
Art, Music, Dance and Recreation Therapists	89	311
Occupational Therapists	89	311
Speech Therapists	89	311
Respiratory Therapists and Assistants	89	311
Homemakers	89	311
Nurse's Aides	89	311
All other Aides, Assistants, or Technicians	89	311
CATEGORY III		
Rehabilitation Counselor/Therapist (not including wage or medical loss projections)	133	433
Licensed or Certified Mental Health Counselors	133	433
Pastoral Counselors	133	433
Wellness Counselors	133	433
Marriage and Family Therapists/Counselors	133	433
Social Workers	133	433
Case Workers and Case Managers	133	433
School Counselors	133	433
Drug and Alcohol Counselors (Non-NAADAC) (1)	133	433
Surgical Technologist/First Assistant	133	433
Alexander Technique Therapist	133	433
Feldenkrais Practitioner	133	433
Reflexologist	133	433
Myotherapist	133	433
Traeger Practitioner	133	433
Hypnotherapist (non-entertainment only)	133	433
Certified Fitness Trainer (group/class instruction only)	133	433
CATEGORY IV		
Certified Personal Fitness Trainer/Therapist	178	577
Athletic Trainers	178	577
Massage Therapists	178	577
Physical Therapists	178	577
Psychological Assistant (Masters Degree)	178	577
School Psychologist	178	577
Rehabilitation Counselors (Including wage or medical loss projections)	178	577
CATEGORY V		
Psychologists (Bachelors or Masters Degree)	877	1554
Psychologists (Doctorate Degree)	1554	1554
PHARMACISTS		
Pharmacy Assistant	67	200
Pharmacy Technician (Dispensing)	94	283
Pharmacist (Non-Mail Order – Non-Nuclear)	123	370
Pharmacist (Mail Order, Nuclear)	161	483

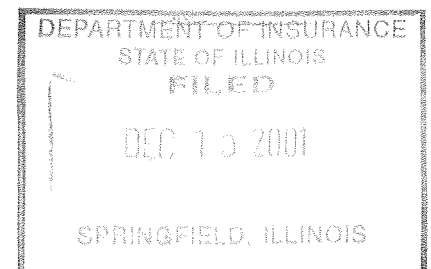
Allied Health Professional Liability Rate Table – Except Optometrists/Opticians		
Basic Limits - \$1,000,000 / \$3,000,000		
Professional Classification	Employed Rate	Self-employed Rate
STUDENTS		
All Categories as listed above except Psychologists	13	13
Paramedics/EMT's (2)	67	67
Circulation Tech's/Perfusionists (2)	67	67
Physician Assistants or Surgical Assistants (2)	67	67
Psychologists	67	67

Note 1. Certified Members of the National Association of Alcoholism and Drug Abuse Counselors (NAADAC) are to be written in conjunction with the Behavioral Health Purchasing Group for a rate of \$189 for limits of \$ 1,000,000 Per Professional Incident / \$ 3,000,000 Aggregate including the "Employed Allied Health Professional" required coverages (see Section XIV). This rate contemplates coverage for employed or self-employed individuals who have been NCAC certified as member sof NAADAC. The only Optional Coverages under Section XV) offered for these members are the Entity Coverage Extension, the Additional Insured Endorsement and Claims Made Coverage. There will be no charge for additional insureds.

Note 2. Students in these categories may be written under a student blanket policy only when the total of these categories constitutes no more than 49% of the insured student population.

Table II

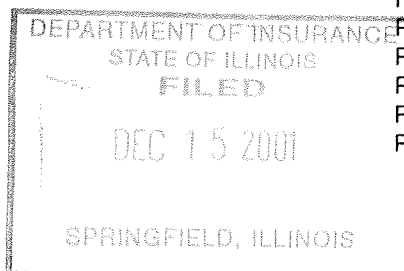
Allied Health Professional Liability Rate Table – Optometrists/Opticians		
Basic Limits - \$1,000,000 / \$1,000,000		
Professional Classification	Employed Rate	Self-employed Rate
Optometrists	139	416
Opticians	98	293



**ALLIED HEALTH PROFESSIONAL AND SUPPLEMENTAL LIABILITY
FORMS INDEX**

Allied Health Professional and Supplemental Liability (Business Entity and Self-employed Individuals) Declarations – Claims Made with Defense Within Limits	PF-10677 (8/01)	*
Allied Health Professional and Supplemental Liability (Business Entity and Self-employed Individuals) Policy – Claims Made with Defense Within Limits	PF-10678 (8/01)	*
Allied Health Professional and Supplemental Liability (Business Entity and Self-employed Individuals) Declarations – Claims Made with Defense Outside Limits	PF-10679 (8/01)	*
Allied Health Professional and Supplemental Liability (Business Entity and Self-employed Individuals) Policy – Claims Made with Defense Outside Limits	PF-10680 (8/01)	*
Allied Health Professional and Supplemental Liability (Business Entity and Self-employed Individuals) Declarations – Occurrence with Defense Within Limits	PF-10675(8/01)	*
Allied Health Professional and Supplemental Liability (Business Entity and Self-employed Individuals) Policy – Occurrence with Defense Within Limits	PF-10674 (8/10)	*
Allied Health Professional and Supplemental Liability (Business Entity and Self-employed Individuals) Declarations – Occurrence with Defense Outside Limits	PF-10673 (8/01)	*
Allied Health Professional and Supplemental Liability (Business Entity and Self-employed Individuals) Policy – Occurrence with Defense Outside Limits	PF-10676 (8/01)	*
Allied Health Professional and Supplemental Liability (Employed Individuals) Declarations – Claims Made with Defense Within Limits	PF-10685 (8/01)	*
Allied Health Professional and Supplemental Liability (Employed Individuals) Policy – Claims Made with Defense Within Limits	PF-10686 (8/01)	*
Allied Health Professional and Supplemental Liability (Employed Individuals) Declarations – Claims Made with Defense Outside Limits	PF-10687 (8/01)	*
Allied Health Professional and Supplemental Liability (Employed Individuals) Policy – Claims Made with Defense Outside Limits	PF-10688 (8/01)	*
Allied Health Professional and Supplemental Liability (Employed Individuals) Declarations – Occurrence with Defense Within Limits	PF-10681 (8/01)	*
Allied Health Professional and Supplemental Liability (Employed Individuals) Policy – Occurrence with Defense Within Limits	PF-10682 (8/01)	*
Allied Health Professional and Supplemental Liability (Employed Individuals) Declarations – Occurrence with Defense Outside Limits	PF-10683 (8/01)	*
Allied Health Professional and Supplemental Liability (Employed Individuals) Policy – Occurrence with Defense Outside Limits	PF-10684 (8/01)	*
Signatures	CC-1K11c (4/01)	*
Signatures	CC-3R87g (5/01)	*
Claims Expenses Limits – Occurrence	PF-10642 (8/01)	
Claims Expenses Limits – Claims Made	PF-10643 (8/01)	
Additional Insured Endorsement	PF-8Y16 (3/99)	
Additional Insured – Corporation, Partnership, or Association	PF-8Y12 (3/99)	
Additional Insured (Leased Premises) Endorsement	PF-2W95b (8/01)	
Additional Insured (Leased Equipment) Endorsement	PF-2W96a (10/98)	
Non-Owned Automobile	PF-5Y68c (8/01)	
Professional Liability Retroactive Coverage Endorsement	PF-1U24a (10/98)	
Liability Deductible Endorsement	PF-8Y15 (3/99)	
Participating Deductible	PF-10644 8/01)	
Blanket Student Professional Liability Endorsement (Including Faculty Members As Additional Insureds)	PF-8Y55a (8/01)	
Blanket Student Professional Liability Endorsement (Including School and Faculty Members as Additional Insureds)	PF-8Y54a (8/01)	
Blanket Student Professional Liability – Additional Activities	PF-8Y14 (3/99)	
Supplemental Extended Reporting Period Endorsement	PF-10645 (8/01)	
Leave of Absence with Automatic Reinstatement	PF-5Y76a (8/01)	
General Liability Exclusion	PF-6Y07a (4/99)	
General Change Endorsement	PF-1Y17c (3/99)	
Sexual Misconduct – Limited Defense Endorsement	PF-8Y73a 8/01)	

***Mandatory forms**



Revised

**ACE AMERICAN INSURANCE COMPANY
ACE INSURANCE COMPANY OF ILLINOIS**

Edition 9/2001

MED. MAL.

State Exceptions. Selected countrywide rules are amended as described below:

- I. Under Rule XVI. PREMIUM CALCULATION RULES, Rule J., the following Territorial Multiplier applies:

Territory Definitions	Multiplier
1 – Cook County	1.20
2 – Counties of Dupage, Lake and Will	1.00
3 – Remainder of State	0.70

- II. The following is added to the ALLIED HEALTH PROFESSIONAL AND SUPPLEMENTAL LIABILITY FORMS INDEX:

IL	PF- 10628 (08/01)	Amendatory Endorsement - Illinois
	PF- 10652 (08/01)	Claims Made Changes - Illinois
	ALL- 5X45 (11/96)	Questions About Your Insurance?
	PF- 6Y85a (8/2001)	Illinois Changes - Cancellation and Nonrenewal
	CC- 3R87g (5/01)	Signature Endorsement - ACE Insurance Company of Illinois

SUPERCEDED
6-13-03

I. APPLICATION OF MANUAL

- A. The rules contained in these pages govern the writing of Professional and Supplemental Liability policies for Allied Health professionals.
- B. The rules, rates, rating plans and forms filed on behalf of the Company, and not in conflict herewith, will govern in all cases not specifically provided for herein.
- C. Form numbers included within these rules cite generic form numbers without regard to edition. Please refer to the Forms Index for the specific edition of forms approved for use with this program.

II. POLICY TERM

- A. Policies may be written for a term of one year and renewed annually thereafter.

Coverage may be extended for a period not to exceed sixty (60) days beyond expiration date, subject to the consent of the Company and the rates and forms in effect for the expiring policy term. Premiums for this extension shall be calculated on a pro-rata basis.

Coverage may be renewed, subject to the consent of the Company, for additional periods by payment of a premium calculated according to the company's rates, rules and forms in effect at the time of renewal.

III. PREMIUM COMPUTATION

- A. Premiums at policy inception will be computed using rules, rates and rating plan in effect at that time.
- B. When a policy is issued for other than a whole year, the premiums will be computed on a pro-rata basis.

IV. FACTORS OR MULTIPLIERS

Unless otherwise noted, factors or multipliers are to be applied consecutively, as opposed to being added together.

V. POLICY WRITING MINIMUM PREMIUM

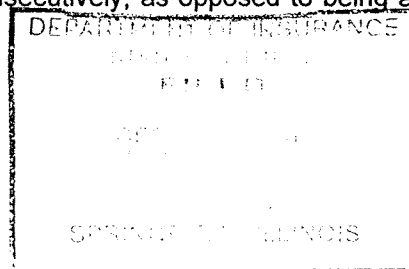
No policy minimum premium applies.

VI. WHOLE DOLLAR RULE

- A. The premium for each peril, coverage or exposure for which a separate premium is calculated will be rounded to the nearest whole dollar as follows:
 - 1. Any value involving \$.50 or more will be rounded up to the next highest whole dollar amount.
 - 2. Any value involving \$.49 or less will be rounded down to the next lowest whole dollar amount.

VII. ADDITIONAL PREMIUM CHARGES

- A. All coverage changes or additions involving additional premiums will be pro-rated based upon the effective date of the change.
- B. The rates and rules that were in effect at the inception date of the policy period are to be used in all additional premium calculations.



- C. Additional premiums of \$24 or less may be waived. This waiver only applies to charges due on the effective date of change endorsements.

VIII. RETURN PREMIUMS

- A. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
- B. Return premiums are computed using rates in effect at the policy inception.
- C. Return premiums are computed pro rata and rounded in accordance with the whole dollar rule when any coverage or exposure is deleted, or an amount of insurance is reduced.

IX. POLICY CANCELLATIONS

- A. This policy may be canceled flat by the Insured within 60 days of the effective date. Evidence of such cancellation must be received by the Company within the 60-day period.
- B. Any cancellation initiated by the Company more than 60 days from inception will be computed on a pro-rata basis.
- C. Cancellation initiated by the Insured will be computed pro rata less a penalty of 10% unless the same coverage is rewritten by the Company, in which case no penalty shall be applied.

X. COVERAGE

- A. Professional Liability is available on an occurrence or claims made basis.
- B. Supplemental Liability is provided on an occurrence basis.

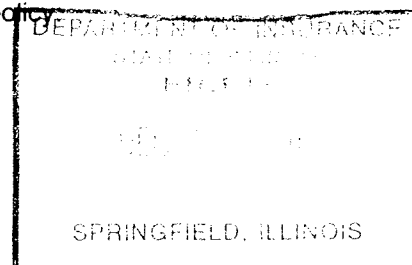
XI. ELIGIBILITY

Rate Tables I and II under Section XVIII. of these rules list the categories of employed*, self-employed, or contracted** allied health professionals, allied health students, and allied health related service provider entities which are eligible for coverage.

- * "Employed allied health professional" means an individual who receives primary professional liability coverage from his or her employer.
- ** "Contract allied health professional" means an individual who provides a service on a regular basis under a written agreement to a single firm, corporation, association or entity who in turn reports the compensation of the contract worker on an Internal Revenue Services Form 1099. Contract allied health professionals are to be rated in the same manner as employees if they make application for individual professional liability coverage.

The following allied health categories are not eligible for coverage under this policy.

1. Emergency Medical Technicians and Paramedics
2. Nurse Anesthetists.
3. Nurse Mid-wives



XII. LIMITS OF LIABILITY

A. Optional limits of liability are available with this policy. The maximum limits available are as follows:

- | | | |
|----------------------------|--------------|----------------------------|
| 1. Professional Liability: | \$ 2,000,000 | Each Professional Incident |
| | \$10,000,000 | Aggregate |
| 2. Supplemental Liability | \$1,000,000 | Each Occurrence |
| | \$6,000,000 | Aggregate |

Note: *Supplemental Liability limits must be no greater than the professional liability limits.*

B. The rates displayed in Rate Tables I and II under Section XVIII. are to be treated as follows:

1. Table I provides Professional Liability rates for all allied health professionals, other than Optometrists and Opticians, for limits of \$1,000,000/\$3,000,000.

The table below provides the Differential Limits Factors used in calculating Professional Liability rates for other optional limits.

Aggregate	Per Professional Incident (000)						
	25	100	200	250	500	1,000	2,000
75	0.395						
300		0.632					
500				0.752	0.822		
600			0.712				
1,000					0.834	0.944	
3,000						1.000	
4,000							1.233
5,000						1.007	1.243
6,000						1.010	1.255
7,000						1.013	1.258
8,000						1.017	1.262
9,000						1.020	1.265
10,000						1.024	1.269

2. Table II provides Professional Liability rates for Optometrists and Opticians for limits of \$1,000,000/\$1,000,000.

The table below provides the Differential Limits Factors used in calculating Professional Liability rates for other optional limits.

Per Professional Incident (000) / Aggregate	
100 / 300	0.449
200 / 600	0.590
250 / 750	0.638
300 / 800	0.682
400 / 900	0.760
500 / 1,000	0.816
1,000 / 1,000	1.000
1,000 / 2,000	1.010
1,000 / 3,000	1.020

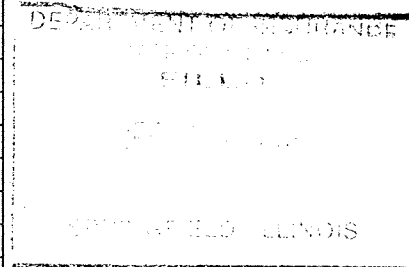
Per Professional Incident (000) / Aggregate	
2,000 / 2,000	1.145
3,000 / 3,000	1.260
4,000 / 4,000	1.325
5,000 / 5,000	1.375

- C. The rates shown in section XV. Optional Coverages, C. General Liability – Entities, are based upon limits of \$1,000,000/\$3,000,000. The table below provides the Differential Limits Factors to be used in calculating rates for other optional limits.

Per Occurrence (000)					
	25	100	200	500	1,000
75	0.545				
300		0.759			
600			0.849	0.925	
1,000				0.940	0.970
3,000					1.000
5,000					1.023
6,000					1.025

- D. For professional liability limits higher than \$1,000,000/\$3,000,000 the following minimum premiums are to be used if the difference between the \$1,000,000/\$3,000,000 limit and the higher chosen limit is less than the amount indicated in the table below:

Per Incident (000)	Aggregate (000)	Min Prem
1,000	5,000	\$15
1,000	6,000	\$20
1,000	7,000	\$25
1,000	8,000	\$30
1,000	9,000	\$35
1,000	10,000	\$40
2,000	4,000	\$35
2,000	5,000	\$50
2,000	6,000	\$65
2,000	7,000	\$75
2,000	8,000	\$80
2,000	9,000	\$85
2,000	10,000	\$90



- E. Professional Liability may be written with claims expenses subject to the limit of liability, claims expenses covered outside the limit of liability, or claims expenses subject to a limit of liability separate from the limit that applies to damages. The basic Allied Health Professional Liability policy covers claims expenses **outside** of the policy limits.

1. For limits of \$1,000,000 per incident and lower the insured may elect to include claims expenses within the policy limits. The table below provides the factors that are to be applied to the professional liability premium for policies issued with claims expenses included **within** the policy limits.

Limit (000) per Professional Incident	Factor
25	0.900
100	0.920
200	0.960
250	0.965
500	0.980
1,000	0.990
2,000	N/A

2. The insured may elect to have claims expenses subject to separate equal limits. The table below provides the factors that are to be applied to the professional liability premium for policies issued with claims expenses subject to **separate equal** limits.

Limit (000) per Professional Incident	Factor
25	0.950
100	0.990
Over 100	Refer to Company

For policies issued with claims expenses subject to separate equal limits of liability, attach the following to the applicable defense within limits version of the policy form:

Optional Endorsement: PF-10642 Claims Expenses Limits -
Occurrence
Or
PF10643 Claims Expenses Limits -
Claims Made

- F. All policies are written on a shared limit basis, unless an individual insured chooses to have the corporation or partnership added as an additional insured with separate limits extended to cover that additional insured (see XV. OPTIONAL COVERAGES, A. Entity Coverage Extension – Corporation, Partnership, or Association).

The Corporation, Partnership or Association entity may be added as an additional insured on a shared limits basis for no charge using the following endorsement:

Optional Endorsement: PF-8Y12 Additional Insured – Corporation, Partnership, or Association

Shared limits means a single limit of liability that applies to each professional incident, offense or occurrence, regardless of the number of insureds involved in the incident. A shared Aggregate limit of liability will apply per policy period to all insureds, with the exception of those individuals written on a blanket basis who choose a "separate aggregate limit of liability option" (see XVI. PREMIUM CALCULATION RULES, E. Student Blanket).

XIII. DEDUCTIBLE

The basic Allied Health Professional Liability policy has no deductible.

For firms or entities with a headcount of 3 or more individuals, the following deductible options may be selected. A flat deductible may be selected, whereby the insured is responsible for the entire amount of

each loss up to the selected flat deductible amount. Alternatively, a participating deductible may be selected, whereby the insured is responsible for 50% of each loss subject to the participating deductible amount. The factors shown in the table below are to be applied to the Modified Base Premium calculated for the policy.

Flat Deductible	Factor
\$ 5,000	.950
\$10,000	.925
\$15,000	.900
\$20,000	.875
\$25,000	.850
Over \$25,000	Refer to Company

Participating Deductible	Factor
\$ 5,000	.963
\$10,000	.938
\$15,000	.915
\$20,000	.895
\$25,000	.881
Over \$25,000	Refer to Company

The following endorsements are used to add this coverage:

Optional Endorsements:

Flat Deductible	PF-8Y15	Liability Deductible Endorsement
Participating Deductible	PF-10644	Participating Deductible Endorsement

XIV. REQUIRED COVERAGES OR ENDORSEMENTS

The two broad categories of allied health professionals and provider entities used to define the required coverages are as follows:

A. Employed Allied Health Professional

Allied health professionals who are employed, as defined in Rule XI. ELIGIBILITY, are to be written using one of the following coverage forms:

Coverage Form	Title
PF10686	Allied Health Professional and Supplemental Liability Policy (Employed Individuals –Claims Made with Defense Within Limits)
PF-10688	Allied Health Professional and Supplemental Liability Policy (Employed Individuals –Claims Made with Defense Outside Limits)
PF-10682	Allied Health Professional and Supplemental Liability Policy (Employed Individuals –Occurrence with Defense Within Limits)
PF-10684	Allied Health Professional and Supplemental Liability Policy (Employed Individuals – Occurrence with Defense Outside Limits)

1. Professional Liability	Selected Professional Liability Limit
Personal Injury	Included
2. Licensing Board Defense	\$5,000 Each Investigation/\$10,000 Policy Term
3. Supplemental Liability	Selected Supplemental Liability Limit
4. Medical Expense Coverage	\$2,000 Per Person/\$100,000 Aggregate
5. First Aid Coverage	\$2,500 Aggregate
6. Assault Coverage	\$5,000 Aggregate
7. Defendant's Reimbursement	\$500 Per Day/\$10,000 Per Incident/Occurrence
8. Deposition Fees and Expenses	\$5,000 Per Deposition
9. Damage to Property of Others	\$500 Each Occurrence / \$5,000 in Policy Term

B. Self-Employed Allied Health Professional or Business Entity

Business entities or allied health professionals who are self-employed are to be written using one of the following coverage forms:

Coverage Form:	Title
PF-10678	Allied Health Professional and Supplemental Liability Policy (Self-Employed/Entity –Claims Made with Defense Within Limits)
PF-10680	Allied Health Professional and Supplemental Liability Policy (Self-Employed/Entity –Claims Made with Defense Outside Limits)
PF-10674	Allied Health Professional and Supplemental Liability Policy (Self-Employed/Entity –Occurrence with Defense Within Limits)
PF-10676	Allied Health Professional and Supplemental Liability Policy (Self-Employed/Entity – Occurrence with Defense Outside Limits)

1. Professional Liability	Selected Professional Liability Limit
Personal Injury and Advertising Injury	Included
2. Licensing Board Defense	\$5,000 Each Investigation/\$10,000 Policy Term
3. Supplemental Liability	Selected Supplemental Liability Limit
General Liability	Included
Host Liquor Liability	Included
4. Fire & Water Damage Legal Liability	\$100,000
5. Medical Expense Coverage	\$2,000 Per Person/\$100,000 Aggregate
6. First Aid Coverage	\$2,500 Aggregate
7. Assault Coverage	\$5,000 Aggregate
8. Defendant's Reimbursement	\$500 Per Day/\$10,000 Per Incident/Occurrence
9. Deposition Fees and Expenses	\$5,000 Per Deposition
10. Damage to Property of Others	\$500 Each Occurrence / \$5,000 in Policy Term

C. Physical Abuse or Sexual Misconduct Defense

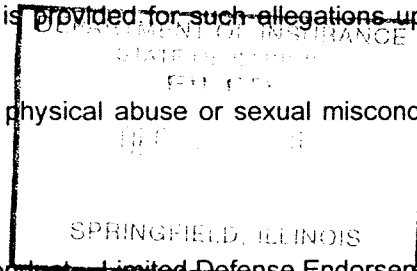
The Allied Health Professional and Supplemental liability policy excludes coverage for physical abuse and sexual misconduct coverage. However, defense coverage is provided for such allegations up to \$100,000 each claim.

This endorsement will apply to any risk that has sustained any physical abuse or sexual misconduct claim within the past 5 years.

The following endorsement is to be used for this purpose:

Mandatory Endorsement: PF-8Y73

Sexual Misconduct – Limited Defense Endorsement



XV. OPTIONAL COVERAGES OR ENDORSEMENTS

A. Entity Coverage Extension - Corporation, Partnership, or Association

Professional Liability coverage can be extended to the professional corporation, partnership, or association entity for liability arising from the actions of the employed allied health professional named in the Declarations. Coverage is provided on a shared limit basis for no additional premium.

If separate limits are to be extended to a corporation, partnership, or association, the limits must be equal to the highest limits provided to any one individual member allied health professional. The premium charge for this extension is 10% of the total professional liability premium.

Optional Endorsement: PF-8Y12 Additional Insured – Corporation, Partnership, or Association

B. Additional Insured

An additional insured may be added to the policy for a charge of 10% of the professional liability premium, subject to a minimum premium of \$50. Such additional insureds may include outpatient surgical centers, hospitals, etc., to which the insured may be contracted.

Lessors may be added to the policy as an additional insured at no additional premium. (All other additional insureds must be referred to the Company for underwriting.)

Additional insureds as described in this section will be added on a shared limits basis.

The following endorsements are used to add this coverage:

**Optional
Endorsements:**

PF-8Y16	Additional Insured Endorsement
PF- 2W95	Additional Insured (Leased Premises)
PF-2W96	Additional Insured (Leased Equipment)

C. General Liability – Entities.

General Liability (part of Supplemental Liability) is automatically included for employed individuals and self-employed individuals. Entities or firms that are purchasing Professional Liability may obtain General Liability for an additional premium. The premium at limits of \$1,000,000 per Occurrence and \$3,000,000 Aggregate is as follows:

Locations	Premium
First	\$181
Each Additional	\$122

The maximum General Liability limit available is \$1,000,000 per Occurrence / \$6,000,000 Aggregate. Use the Differential Limits Factors (section XII. C.) to determine the at-limits premium for alternative limits of liability. In all cases, however, the General Liability limit can be no greater than the Professional Liability limit.

The at-limits Supplemental Liability premium is added to the **Total Policy Premium** developed below (section XVII. PREMIUM CALCULATION).

If entities or firms do not desire to purchase General Liability, it must be excluded by endorsement and

no charge is made. The following endorsement is used for that purpose.

Optional Endorsement: PF-6Y07 General Liability Exclusion

D. Non-Owned Automobile Liability

This coverage option is available for entities only. The premium for firms with 1 – 10 employees is based upon a flat charge. For entities with 11 or more employees the premium is calculated by multiplying the rate by the total number of employees. The rates for the available limits options (000) are shown in the table below.

# Employees	Charge	\$500/\$500	\$1,000/\$1,000	\$1,000/\$3,000
1 – 10	Flat	\$78	\$89	\$100
11 or More	Per Emp	\$8	\$9	\$10

The following endorsement is used to add this coverage:

Optional Endorsement: PF-5Y68 Non-owned Automobile

E. Claims Made Coverage

The following rating procedures apply to professional liability written on a claims made basis:

1. Determine the applicable occurrence premium for the category of allied health professional and limits of liability in accordance with XVI. Premium Calculation Rules.
2. Determine the retroactive date. If the date goes back 5 years or more, the Mature Claims-Made Factor from the Claims Made Step Factor table should be applied to the premium developed in 1. above.

Note: The retroactive date may be advanced only at the request of the insured or with the insured's written acknowledgement.

3. If the allied health professional is just entering practice, has been continuously insured under an occurrence policy or if no prior acts coverage is being provided, select the year 1 claims made factor from the Claims Made Step Factor table and apply it to the occurrence premium determined in 1. above.
4. If the allied health professional has been insured under a claims made policy for one or more years immediately preceding the effective date of the policy to be issued, and prior acts coverage is being provided, the following procedure will apply:
 - a. Determine the number of years in which the allied health professional has been insured under a claims made policy;
 - b. The number determined in a. above will be the "prior years of exposure". Fractional years of 6 months or more will be rounded up to the next higher year; less than 6 months will be rounded down to the next lower year.
 - c. The selection from the Claims Made Step Factor table is made by adding one year to the "prior years of exposure" developed in a. and b. above. The additional year is to account for the new policy to be issued.

- d. The applicable factor in the Claims Made Step Factor table is to be applied to the premium developed in 1. above.

TABLE OF CLAIMS-MADE STEP FACTORS

YEARS	STEP FACTORS
YEAR 1	.45
YEAR 2	.69
YEAR 3	.82
YEAR 4	.91
YEAR 5 OR MORE (Mature)	.95

F. Extended Reporting Period Coverage

1. Basic Extended Reporting Period

A "Basic Extended Reporting Period" is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 60 days.

2. Supplemental Extended Reporting Period

A "Supplemental Extended Reporting Period" may be provided for 1, 2 or 3 years, subject to the following:

- Except as described in f. below, the "Supplemental Extended Reporting Period" is available only if the policy is cancelled or nonrenewed by either the company or the insured.
- The insured must notify us in writing of his or her election of the "Supplemental Extended Reporting Period" within 60 days of the effective date of termination of the policy.
- Any earned premium due on the policy and the premium for the "Supplemental Extended Reporting Period" must be paid in full before the "Supplemental Extended Reporting Period" will be effective.
- The entire premium for the "Supplemental Extended Reporting Period" will be deemed earned when the "Supplemental Extended Reporting Period" begins.
- The premium for the "Supplemental Extended Reporting Period" will be developed by applying the appropriate factor from the table below to the mature claims made premium for Coverage A otherwise developed for the risk based on the rates and rules in effect for us at the time of purchase of the "Supplemental Extended Reporting Period":

Claims-Made Year	Length of SERP (Years)		
	1	2	3
1	0.278	0.428	0.533
2	0.424	0.676	0.824
3	0.539	0.843	0.995
4+	0.602	0.915	1.071

- f. The premium for the "Supplemental Extended Reporting Period" will be waived if the insured is an individual and:

- i. Dies or becomes totally and permanently disabled during the policy period; or
- ii. Retires, if at least age 55 and insured for professional liability by an ACE Group company or any of its predecessor companies for 5 or more continuous years.

If the insured returns to the practice of his or her professional services after retirement or after a period of total and permanent disability and after the issuance of the Supplemental Extended Reporting Period Endorsement and premium waiver, the Supplemental Extended Endorsement will be cancelled unless the insured contacts us within 30 days to request an optional extended reporting period and pays the appropriate Supplemental Extended Reporting Period premium developed from the rates, rules and rating plans in effect for us at the time of the insured's retirement or disability.

- g. The "Supplemental Extended Reporting Period" does not increase or reinstate the limits of liability.

The following endorsement is used to add this coverage:

Optional Endorsement: PF-10645 Supplemental Extended Reporting Period Endorsement

G. Prior Acts

When an Insured is converting from a claims-made form to occurrence coverage provided under this program, subject to prior approval of the Company, Prior Acts coverage may be purchased on a selected basis. The following rules apply:

1. Coverage is available only for non-interrupted claims-made coverage immediately preceding the effective date of this policy.
2. The premium for Prior Acts coverage is a one-time charge which will be fully earned at inception. The Company will not return to the Insured any portion of the Prior Acts premium for any reason once the coverage has been initiated.
3. The Prior Acts premium is determined for each individual by applying the appropriate factor from the table below to the annual professional liability rate found in Tables I and II in section XVIII. For partial claims-made periods use the closest factor.

Claims-Made Period	Factor
1 to 90 Days	.10
91 to 180 Days	.25
One Year	.50
Two Years	.75
Three Years	.90
Four or More Years	1.00

Note: *The Retroactive Date may be advanced only at the request of the insured or with the insured's written acknowledgement.*

The following endorsement is used to add this coverage:

Optional Endorsement: PF-1U24 Professional Liability Retroactive Coverage Endorsement

H. Leave of Absence

Subject to Company underwriting approval, coverage under an in-force policy may be suspended for a period of not less than 30 days, and not more than six months. This suspension may be made without premium adjustment. The expiration of the policy is extended by the same length of time that the policy was suspended. This feature can be used for a parental leave, medical leave, military call-up to active duty, or a sabbatical.

The following endorsement is used to add this coverage:

Optional Endorsement: PF-5Y76 Leave of Absence with Automatic Reinstatement

I. General Change Endorsement

Corrections to errors or oversights in policy issuance, limits/deductible changes or optional coverage additions/deletions may be made to the policy at the request of the insured.

The following endorsement is to be used for this purpose:

Optional Endorsement: PF-1Y17 General Change Endorsement

Note: *No amendments may be made to policy or endorsement wording without an Individual Risk Filing and approval of the Department of Insurance.*

XVI. PREMIUM CALCULATION RULES

A. Base Rates.

The premium for this policy is calculated on a "per professional" basis. The base rates will be applied in accordance with the allied health professional specialty as shown in Table I (section XVIII.). If two or more classifications apply to the same professional, the highest rated classification is to be used.

B. Base Rate Adjustments.

1. Part Time. A part-time base rate adjustment factor of .50 will apply to any individual allied health professional who is self-employed and works 20 hours or less per week. This factor is applied to the "Self-employed" rate from Table I or II in section XVIII..

A part-time base rate adjustment factor of .25 will apply to any employed individual allied health professional who, in addition to regular employment, works less than 10 hours per week in a self-employed capacity. This premium is first developed by multiplying the "Self-Employed" rate by .25 and adding the result to the full "Employed" rate.

2. New Graduate. A new graduate base rate adjustment factor of .50 will be applied for the first year of coverage, and a .75 rate adjustment factor for the second year of coverage. A new graduate is defined as an allied health professional within 12 months following graduation from an accredited institution leading to licensure or certification in the profession specified in the Declarations.
3. Entity or Firm Size. A base rate adjustment factor will be applied for corporations, partnerships, or associations based upon the rateable insured headcount as shown in the table below:

Headcount	Factor
3 – 5	.96
6 – 10	.94

Headcount	Factor
11 – 15	.92
16 – 20	.90
21 or More	.85

Headcount means the total number of ratable insureds (owners, partners, officers, and professional employees) and does not include independent contractors or additional insureds.

Student Blanket policies are not eligible for the entity or firm size rate adjustment.

4. Risk Management. A risk management rate credit of 10% will be applied to the base rate upon completion of continuing education courses. Course content must include one or more of the following topics: patient communications; documentation; informed consent; confidentiality of records; fall and burn management; or litigation and other legal issues.

Subject to underwriting approval and verifiable participation, courses must be completed by the insured within 24 months of the policy effective date. This credit will be reapplied to subsequent policy periods as long as the course completion date is within 24 months of the policy effective date.

Only one such rate credit may be applied to the policy at one time. In order for entities (corporations, partnerships, or associations) to be eligible for the risk management rate credit, 50% of the rateable headcount must meet the continuing education requirement. Student Blanket policies are not eligible. Risk Management rate credits may only be applied at inception.

The lowest total base rate adjustment factor applicable under this rule for any insured is .50. The only exception to this rule applies for part-time, self-employed allied health professionals who work less than 10 hours per week, in which case the lowest base rate adjustment factor is .25.

C. Experience Rating.

Loss Experience. Individuals or entities that have been in business for at least 3 years are eligible for a 10% loss free credit if there have been no claims or incidents reported in the past 3 years that resulted in any paid indemnification or in claims expenses of \$5,000 or more.

D. Expense Modification.

The policy premium contemplates standard allowances for expense. If expenses other than for commission level (addressed under paragraph H. of this section) vary from the standard, the premium may be modified to reflect this difference. The maximum reduction in expense modification permitted is 5%. Expenses may not be increased.

E. Student Blanket.

Coverage may be provided to students of an accredited school or university on a blanket basis for activities that are required as a part of the allied health professional school curriculum at the specified school or university. It is common for the school or university to apply for professional liability coverage on behalf of their allied health students. It is important to understand however, that the "primary" insured for any such coverage would be the students of the school, and not the school itself.

Student Blanket coverage is to be written using the Employed Individuals policy form and rates. The rates for this coverage are per student, and include the allied health school faculty members, but only as respects their supervision or instruction of the students being insured. A separate aggregate limit of liability per student is available up to a \$3,000,000 maximum, at an additional charge of 5% of the total professional liability premium.

The following endorsement is used to add this coverage:

Optional Endorsement: PF-8Y55 Blanket Student Professional Liability Endorsement
(Including Faculty Members as Additional Insureds)

The school itself may be added as an additional insured for a premium charge of 25% of the total student generated premium. The minimum premium for covering the school is \$100.

The following endorsement is used to add this coverage:

Optional Endorsement: PF-8Y54 Blanket Student Professional Liability Endorsement
(Including School and Faculty Members as Additional Insureds)

Professional areas or occupations not specified in the application for insurance, if approved by the company may be added for coverage under this policy by endorsement.

The following endorsement is used for this purpose:

Optional Endorsement: PF-8Y14 Blanket Student Professional Liability – Additional Activities

F. Full Time Equivalent (FTE).

This rating method is used for entities or firms who utilize one or more eligible health care professionals who are working on an average of less than 40 hours per week.

In accordance with the professional rate classifications, sum the total annual hours worked for each classification. Divide each of these totals by classification by 2000 hours (one Full Time Equivalent) to establish the number of FTE slots to be charged for each classification. Fractions of FTE slots per applicable classification grouping will be rounded up to either Part Time or Full Time slots based upon the following:

- a. Between .01 and .50 will be considered one Part Time FTE and rated according XVI. PREMIUM CALCULATION RULES. B. 1. Part Time discount.
- b. Between .51 and 1.00 will be considered one Full Time FTE.

G. Internet Credit

A 5% credit shall be applied to policies marketed through an E-Commerce distribution channel.

H. Premium Discount by Commission Level

Premium factors shall apply to the manual rate to account for any reduced commission in accordance with the following table:

Commission Level	Premium Factor	Commission Level	Premium Factor
27.5%	100.0	19.5%	90.0
26.5%	98.6	18.5%	88.9
25.5%	97.2	17.5%	87.8

Commission Level	Premium Factor	Commission Level	Premium Factor
24.5%	95.9	16.5%	86.8
23.5%	94.7	15.5%	85.8
22.5%	93.4	14.5%	84.9
21.5%	92.3	13.5%	83.9
20.5%	91.1	12.5%	83.0

I. Schedule Rating

Firms or entities with a headcount of 6 or more individuals are eligible for schedule rating. The schedule rating credit or debit will be equal to the sum of the selected credits or debits given for each of the individual risk characteristics shown in the table below, subject to a maximum credit or debit of 25%.

Characteristic	Max Credit	Max Debit
Qualifications and experience of owners, partners, and/or corporate officers.	10%	10%
Timeliness and quality of responses to company requests.	5%	5%
Type of equipment used and its impact on patient care.	5%	5%
Adequacy of staffing and selection, supervision, and experience of staff personnel.	5%	5%
Peculiarities of classification.	10%	10%

J. Territorial Multiplier

Apply the territorial multiplier shown in the state exception pages. Select the territorial multiplier associated with the territory in which the individual works.

XVII. PREMIUM CALCULATION

A. Professional Liability - Employed Individual.

Step 1. Determine **Base Rate (BR)**. Depending upon allied health classification of individual, select appropriate "employed" **Base Rate** from Table I or II (section XVIII. RATES).

Step 2. Calculate a **Base Rate Modification Factor (BRMF)** using the preceding PREMIUM CALCULATION RULES. Convert all credit percentages to a factor (example: a 10% credit converts to a .90 factor). Multiply all of the applicable factors consecutively (do not round) to arrive at a composite factor.

Step 3. Develop a **Modified Base Rate (MBR)** using the following formula:

$$\text{MBR} = \text{Base Rate} \times \text{Base Rate Modification Factor}$$

Step 4. Develop the **Total Policy Premium (TPP)** as follows:

- Select the applicable Professional Limits of Liability factor (XII. B.) to establish the **Limits Modification Factor (LMF)**
- Multiply the **Modified Base Rate** by the **Limits Modification Factor**.

- c. Multiply the result in step b. by the adjustment factors in Rules XVI. C., D., G., H., I., and J. as applicable.
- d. Compute the desired optional coverage premiums (XV. OPTIONAL COVERAGES) and add to or modify the result of the calculation from step c.

$$\text{TPP} = (\text{LMF} \times \text{MBR}) \times \text{Adjustment Factors} + \text{Optional Coverages}$$

B. Professional Liability - Self-Employed Individual.

- Step 1.** Determine **Base Rate (BR)**. Depending upon allied health classification of individual, select appropriate "self-employed" **Base Rate** from Table I or II (section XVIII. RATES).
- Step 2.** Calculate a **Base Rate Modification Factor (BRMF)** using the preceding PREMIUM CALCULATION RULES. Convert all credit percentages to a factor. Multiply all of the applicable factors consecutively (do not round) to arrive at a composite factor.
- Step 3.** Develop a **Modified Base Rate (MBR)** using the following formula:

$$\text{MBR} = \text{Base Rate} \times \text{Base Rate Modification Factor}$$

- Step 4.** Develop the **Total Policy Premium (TPP)** as follows:
 - a. Select the applicable Professional Limits of Liability factor (XII. B.) to establish the **Limits Modification Factor (LMF)**.
 - b. Multiply the **Modified Base Rate** by the **Limits Modification Factor**.
 - c. Multiply the result in step b. by the adjustment factors in Rules XVI. C., D., G., H., I., and J., as applicable.
 - d. Compute the desired optional coverage premiums (XV. OPTIONAL COVERAGES) and add to or modify the result of the calculation from step c.

$$\text{TPP} = (\text{LMF} \times \text{MBR}) \times \text{Adjustment Factors} + \text{Optional Coverages}$$

C. Professional Liability – Entity.

- Step 1.** Develop **Base Premium (BP)** as follows:
 - a. Depending upon the professional classification of employed individuals, select the appropriate "Self-employed" **Base Rates** from Table I or II (section XVIII. RATES). Multiply the **Base Rate** for each classification and territory by the applicable territorial multiplier as described in Rule XVI.J., and by the number of individuals in that category to arrive at **Base Premiums**.
 - b. Select the appropriate "Self-employed" **Base Rate** from Table I or II (section XVIII. RATES) for each owner, partner, and/or corporate officer active as professional practitioners in the business of the insured. Multiply the **Base Rate** for each owner, partner, and/or corporate officer by the applicable territorial multiplier as described in Rule XVI.J. to arrive at **Base Premiums**.
 - c. Add the **Base Premiums** for all employees and owners/partners/corporate officers together.

Step 2: Calculate a **Base Premium Modification Factor (BPMF)** using the preceding PREMIUM CALCULATION RULES. Convert all credit percentages to a factor. Multiply all of the applicable factors consecutively (do not round) to arrive at a composite factor.

Step 3: Develop a **Modified Base Premium (MBP)** using the following formula:

$$\text{MBR} = \text{Base Premium} \times \text{Base Premium Modification Factor}$$

Step 4: Develop the **Total Policy Premium (TPP)** as follows:

- a. Select the applicable Professional Limits of Liability factor (XII. B.).
- b. If a deductible option is desired, select the appropriate factor (XIII.).
- c. Multiply the limits factor by the deductible factor to establish the Limits/Deductible **Modification Factor (LDMF)**.
- d. Multiply the **Modified Base Premium** by the Limits/Deductible Modification Factor.
- e. Multiply the result in step d. by the adjustment factors in Rules XVI. C., D., G., H., and I. as applicable.
- f. Compute the desired optional coverage premiums (XV. OPTIONAL COVERAGES) and add to or modify the result of the calculation from e.

$$\text{TPP} = (\text{LDMF} \times \text{MBR}) \times \text{Adjustment Factors} + \text{Optional Coverages}$$

XVIII. Rates

Table I

Allied Health Professional Liability Rate Table – Except Optometrists/Opticians		
Basic Limits - \$1,000,000 / \$3,000,000		
Professional Classification	Employed Rate	Self-employed Rate
CATEGORY I		
Medical Office Assistant	54	163
Dental Assistant	54	163
Patient Intake Technician	54	163
Volunteer	54	163
CATEGORY II		
Cardiology Technician	89	311
Surgical Technologist	89	311
Clinical Pathologist	89	311
Dental Hygienist	89	311
Dietician/Nutritionist	89	311
EKG/EEG Technician	89	311
Lab Technician	89	311
Medical Records Technician	89	311
MRI Technician	89	311
Radiological Technologist	89	311
X-Ray Machine Operator/Technician	89	311
Ultrasound Technician	89	311
Phlebotomist	89	311

Allied Health Professional Liability Rate Table – Except Optometrists/Opticians		
Basic Limits - \$1,000,000 / \$3,000,000		
Professional Classification	Employed Rate	Self-employed Rate
Utilization Review Technician	89	311
Audiologist	89	311
Electrologist	89	311
Health Educator	89	311
CPR Trainers	89	311
Rehabilitation Therapist Assistants	89	311
Art, Music, Dance and Recreation Therapists	89	311
Occupational Therapists	89	311
Speech Therapists	89	311
Respiratory Therapists and Assistants	89	311
Homemakers	89	311
Nurse's Aides	89	311
All other Aides, Assistants, or Technicians	89	311
CATEGORY III		
Rehabilitation Counselor/Therapist (not including wage or medical loss projections)	133	433
Licensed or Certified Mental Health Counselors	133	433
Pastoral Counselors	133	433
Wellness Counselors	133	433
Marriage and Family Therapists/Counselors	133	433
Social Workers	133	433
Case Workers and Case Managers	133	433
School Counselors	133	433
Drug and Alcohol Counselors (Non-NAADAC) (1)	133	433
Surgical Technologist/First Assistant	133	433
Alexander Technique Therapist	133	433
Feldenkrais Practitioner	133	433
Reflexologist	133	433
Myotherapist	133	433
Traeger Practitioner	133	433
Hypnotherapist (non-entertainment only)	133	433
Certified Fitness Trainer (group/class instruction only)	133	433
CATEGORY IV		
Certified Personal Fitness Trainer/Therapist	178	577
Athletic Trainers	178	577
Massage Therapists	178	577
Physical Therapists	178	577
Psychological Assistant (Masters Degree)	178	577
School Psychologist	178	577
Rehabilitation Counselors (Including wage or medical loss projections)	178	577
CATEGORY V		
Psychologists (Bachelors or Masters Degree)	877	1554
Psychologists (Doctorate Degree)	1554	1554
PHARMACISTS		
Pharmacy Assistant	67	200
Pharmacy Technician (Dispensing)	94	283
Pharmacist (Non-Mail Order – Non-Nuclear)	123	370
Pharmacist (Mail Order, Nuclear)	161	483

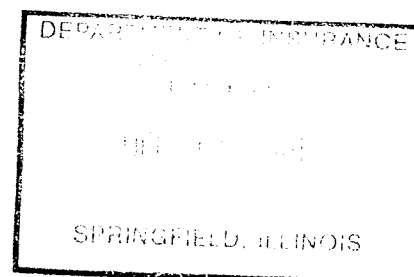
Allied Health Professional Liability Rate Table – Except Optometrists/Opticians		
Basic Limits - \$1,000,000 / \$3,000,000		
Professional Classification	Employed Rate	Self-employed Rate
STUDENTS		
All Categories as listed above except Psychologists	13	13
Paramedics/EMT's (2)	67	67
Circulation Tech's/Perfusionists (2)	67	67
Physician Assistants or Surgical Assistants (2)	67	67
Psychologists	67	67

Note 1. Certified Members of the National Association of Alcoholism and Drug Abuse Counselors (NAADAC) are to be written in conjunction with the Behavioral Health Purchasing Group for a rate of \$189 for limits of \$ 1,000,000 Per Professional Incident / \$ 3,000,000 Aggregate including the "Employed Allied Health Professional" required coverages (see Section XIV). This rate contemplates coverage for employed or self-employed individuals who have been NCAC certified as member sof NAADAC. The only Optional Coverages under Section XV offered for these members are the Entity Coverage Extension, the Additional Insured Endorsement and Claims Made Coverage. There will be no charge for additional insureds.

Note 2. Students in these categories may be written under a student blanket policy only when the total of these categories constitutes no more than 49% of the insured student population.

Table II

Allied Health Professional Liability Rate Table – Optometrists/Opticians		
Basic Limits - \$1,000,000 / \$1,000,000		
Professional Classification	Employed Rate	Self-employed Rate
Optometrists	139	416
Opticians	98	293



**ALLIED HEALTH PROFESSIONAL AND SUPPLEMENTAL LIABILITY
FORMS INDEX**

Allied Health Professional and Supplemental Liability (Business Entity and Self-employed Individuals) Declarations – Claims Made with Defense Within Limits	PF-10677 (8/01)	*
Allied Health Professional and Supplemental Liability (Business Entity and Self-employed Individuals) Policy – Claims Made with Defense Within Limits	PF-10678 (8/01)	*
Allied Health Professional and Supplemental Liability (Business Entity and Self-employed Individuals) Declarations – Claims Made with Defense Outside Limits	PF-10679 (8/01)	*
Allied Health Professional and Supplemental Liability (Business Entity and Self-employed Individuals) Policy – Claims Made with Defense Outside Limits	PF-10680 (8/01)	*
Allied Health Professional and Supplemental Liability (Business Entity and Self-employed Individuals) Declarations – Occurrence with Defense Within Limits	PF-10675 (8/01)	*
Allied Health Professional and Supplemental Liability (Business Entity and Self-employed Individuals) Policy – Occurrence with Defense Within Limits	PF-10674 (8/10)	*
Allied Health Professional and Supplemental Liability (Business Entity and Self-employed Individuals) Declarations – Occurrence with Defense Outside Limits	PF-10673 (8/01)	*
Allied Health Professional and Supplemental Liability (Business Entity and Self-employed Individuals) Policy – Occurrence with Defense Outside Limits	PF-10676 (8/01)	*
Allied Health Professional and Supplemental Liability (Employed Individuals) Declarations – Claims Made with Defense Within Limits	PF-10685 (8/01)	*
Allied Health Professional and Supplemental Liability (Employed Individuals) Policy – Claims Made with Defense Within Limits	PF-10686 (8/01)	*
Allied Health Professional and Supplemental Liability (Employed Individuals) Declarations – Claims Made with Defense Outside Limits	PF-10687 (8/01)	*
Allied Health Professional and Supplemental Liability (Employed Individuals) Policy – Claims Made with Defense Outside Limits	PF-10688 (8/01)	*
Allied Health Professional and Supplemental Liability (Employed Individuals) Declarations – Occurrence with Defense Within Limits	PF-10681 (8/01)	*
Allied Health Professional and Supplemental Liability (Employed Individuals) Policy – Occurrence with Defense Within Limits	PF-10682 (8/01)	*
Allied Health Professional and Supplemental Liability (Employed Individuals) Declarations – Occurrence with Defense Outside Limits	PF-10683 (8/01)	*
Allied Health Professional and Supplemental Liability (Employed Individuals) Policy – Occurrence with Defense Outside Limits	PF-10684 (8/01)	*
Signatures	CC-1K11c (4/01)	*
Signatures	CC-3R87g (5/01)	*
Claims Expenses Limits – Occurrence	PF-10642 (8/01)	
Claims Expenses Limits – Claims Made	PF-10643 (8/01)	
Additional Insured Endorsement	PF-8Y16 (3/99)	
Additional Insured – Corporation, Partnership, or Association	PF-8Y12 (3/99)	
Additional Insured (Leased Premises) Endorsement	PF-2W95b (8/01)	
Additional Insured (Leased Equipment) Endorsement	PF-2W96a (10/98)	
Non-Owned Automobile	PF-5Y68c (8/01)	
Professional Liability Retroactive Coverage Endorsement	PF-1U24a (10/98)	
Liability Deductible Endorsement	PF-8Y15 (3/99)	
Participating Deductible	PF-10644 (8/01)	
Blanket Student Professional Liability Endorsement (Including Faculty Members As Additional Insureds)	PF-8Y55a (8/01)	
Blanket Student Professional Liability Endorsement (Including School and Faculty Members as Additional Insureds)	PF-8Y54a (8/01)	
Blanket Student Professional Liability – Additional Activities	PF-8Y14 (3/99)	
Supplemental Extended Reporting Period Endorsement	PF-10645 (8/01)	
Leave of Absence with Automatic Reinstatement	PF-5Y76a (8/01)	
General Liability Exclusion	PF-6Y07a (4/99)	
General Change Endorsement	PF-1Y17c (3/99)	
Sexual Misconduct – Limited Defense Endorsement	PF-8Y73a (8/01)	

***Mandatory forms**



ace ina



ACE INA
Filing & Regulation
Routing WB04G
PO Box 1000
436 Walnut Street
Philadelphia, PA 19106

215.640.5123 tel
215.640.4986 fax

robert.wolfrom@ace-ina.com
www.ace-ina.com

Robert E. Wolfrom, CPCU
Sr. Regulatory Specialist

March 27, 2007

Director of Insurance
Illinois Department of Financial and Professional Regulation
Division of Insurance
320 West Washington Street
Springfield, Illinois 62767

Re:	<u>Company</u>	<u>ACE USA # 626</u>	<u>NAIC #</u>	<u>FEIN</u>
	ACE American Insurance Company		22667	95-2371728
	ACE Insurance Company of Illinois		22691	36-2709121 ✓

11.0000 Medical Malpractice
Allied Health Premium Payment Installment Rule
Our Filing Number: 07-PR-118

Dear Commissioner:

We are filing our revised Allied Health Professional and Supplemental Liability Illinois Exception Page to add a rule for Premium Payment Installments to comply with state requirements.

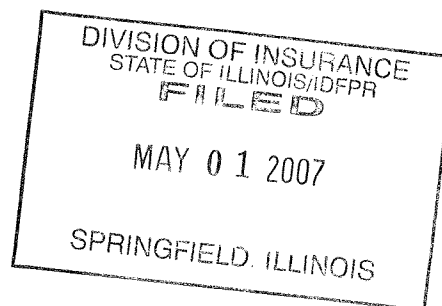
We wish to implement this revision with all new and renewal policies effective on or after May 1, 2007 or earlier upon your approval.

Please let me know if you have any questions.

Regards,

Robert E. Wolfrom

Bob Wolfrom, CPCU
Sr. Regulatory Specialist



FO
MEM
1302
Jeh

Property & Casualty Transmittal Document

**1. Reserved for Insurance
Dept. Use Only****2. Insurance Department Use only**

a. Date the filing is received:

b. Analyst:

c. Disposition:

d. Date of disposition of the filing:

e. Effective date of filing:

New Business

Renewal Business

f. State Filing #:

g. SERFF Filing #:

h. Subject Codes

RECEIVED

MAR 30 2007

IDFPR (MPC)
DIVISION OF INSURANCE
SPRINGFIELD**3. Group Name**

ACE INA Companies

Group NAIC #

626

4. Company Name(s)**Domicile****NAIC #****FEIN #**

ACE American Insurance Company

PA

22667

95-2371728

ACE Insurance Company of Illinois

IL

22691

36-2709121

5. Company Tracking Number

07-PR-118

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Robert E. Wolfrom 436 Walnut Street, WBO4G Philadelphia, PA 19106	SR. Regulatory Specialist	215.640.5123	215.640.4986	robert.wolfrom@ace- ina.com
7.	Signature of authorized filer		<i>Robert E. Wolfrom</i>		
8.	Please print name of authorized filer		Robert E. Wolfrom		

Filing information (see General Instructions for descriptions of these fields)

9.	Type of Insurance (TOI)	Medical Malpractice
10.	Sub-Type of Insurance (Sub-TOI)	Combination
11.	State Specific Product code(s)(if applicable)[See State Specific Requirements]	na
12.	Company Program Title (Marketing title)	na
13.	Filing Type	<input type="checkbox"/> Rate/Loss Cost <input checked="" type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14.	Effective Date(s) Requested	New: 05/01/2007 Renewal: 05/01/2007

Property & Casualty Transmittal Document---

15.	Reference Filing?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
16.	Reference Organization (if applicable)			
17.	Reference Organization # & Title			
18.	Company's Date of Filing			
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed	<input type="checkbox"/> Pending	<input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

20.	This filing transmittal is part of Company Tracking #	07-PR-118
------------	--	-----------

21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
------------	--

We are filing our revised Allied Health Professional and Supplemental Liability Illinois Exception Page to add a rule for Premium Payment Installments to comply with state requirements.

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<div style="margin-bottom: 20px;"> Check #: na Amount: na </div> <p>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>	

***Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	07-PR-118
2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	NA

☐ Rate Increase

☐ Rate Decrease

☐ Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)						
4a.	Rate Change by Company (As Proposed)						
Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
Big Insurance Company							
Medium Insurance Company							
4b.	Rate Change by Company (As Accepted) For State Use Only						
Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5. Overall Rate Information (Complete for Multiple Company Filings only)

		COMPANY USE	STATE USE
5a.	Overall percentage rate indication (when applicable)		
5b.	Overall percentage rate impact for this filing		
5c.	Effect of Rate Filing – Written premium change for this program		
5d.	Effect of Rate Filing – Number of policyholders affected		

6.	Overall percentage of last rate revision	
7.	Effective Date of last rate revision	
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	

9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	Exception Page: AH-IL 1	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

ACE GROUP OF INSURANCE COMPANIES

**ACE American Insurance Company
ACE Insurance Company of Illinois
Allied Health Professional and Supplemental Liability
Revised Manual Rules
Explanatory Memorandum**

We are submitting our revised Allied Health Professional and Supplemental Liability Illinois Exception Page to add a rule for Premium Payment Installments to comply with state requirements. The existing rules were previously filed and approved under company filing number 03-PR-369.

A. Forms

None

B. Rules

**Allied Health Professional and Supplemental Liability
Exception Pages: Illinois
AH-IL 1 Edition 05/2007**

- Added Rule, Premium Payment Installments

This rule was added to comply with state requirements concerning available premium payment options.

Neuman, Gayle

From: Wolfrom Jr, Robert E [Robert.WolfromJr@ace-ina.com]
Sent: Thursday, April 05, 2007 10:00 AM
To: Neuman, Gayle
Subject: RE: Ace American Ins Co / Ace Ins Co of Illinois - Rule Filing #07-PR-118
Attachments: IL-AHA State Exception Page rev_05-07_.pdf; General Rules-IL_08-03_.pdf; IL-AHA State Exception Page rev_05-07_ Markup.pdf

Ms. Neuman;

The following is in response to your questions below:

1. Attached please find an amended rule page in accordance with the minimum standards for Payment Plans as set forth in the Medical Malpractice Rates Checklist.
2. Yes, we utilize Insurance Services Office, Inc.
3. We confirm all previously filed and approved Allied Health Professional and Supplemental Liability Exception Pages: Illinois will be replaced by the amended rule page (Ed. 05/2007) upon approval by the Department. AH-IL1 Edition 10/2003 will be replaced in its entirety by AH-IL1 Edition 05/2007. A marked up version highlighting the changes is provided for your reference. A copy of the existing General Rules previously filed and approved under company filing number 03-PR-369 is attached as required.

Regards,

Bob Wolfrom
 ACE INA
 Filing & Regulation
 215.640.5123

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Monday, April 02, 2007 10:36 AM
To: Wolfrom Jr, Robert E
Subject: Ace American Ins Co / Ace Ins Co of Illinois - Rule Filing #07-PR-118

Mr. Wolfrom,

The Department is in receipt of the above referenced filing number submitted by letter dated March 27, 2007. The submission is not acceptable for filing in Illinois due to the following reason(s):

1. All quarterly installment premium payment plans shall include information on the minimum standards listed below. Insurers may provide for quarterly installment premium payment plans that differ from these minimum standards and may offer more than one type of payment plan. However, a quarterly payment plan must be offered with terms that are at least as or more favorable than those listed below:
 - a) An initial payment of no more than 40% of the estimated total premium due at policy inception;
 - b) The remaining premium spread equally among the second, third, and fourth installments, with the maximum for such installments set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively;
 - c) No interest charges;
 - d) Installment charges or fees of no more than 1% of the total premium or \$25.00, whichever is less;
 - e) A provision stating that additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.
 - f) Quarterly installment premium payment plans shall be included in the initial offer of the policy, or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer is not required to re-offer such payment plan, but if an insured requests such payment plan at a later date, the insurer must make it available.

4/5/2007

2. Indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?
3. Our checklists require the company submit a copy of the complete rate/rule manual section(s) being changed by the filing. You are to also provide a written statement indicating all changes made to these pages were disclosed.
We request receipt of your response by April 10, 2007.

Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (<http://www.idfpr.com/>) by clicking on: Insurance; Industry; Regulatory; IS3
Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO:
Gayle.Neuman@illinois.gov

This email is intended for the designated recipient(s) only, and may be confidential, non-public, proprietary, protected by the attorney/client or other privilege. Unauthorized reading, distribution, copying or other use of this communication is prohibited and may be unlawful. Receipt by anyone other than the intended recipient(s) should not be deemed a waiver of any privilege or protection. If you are not the intended recipient or if you believe that you have received this email in error, please notify the sender immediately and delete all copies from your computer system without reading, saving, or using it in any manner. Although it has been checked for viruses and other malicious software ("malware"), we do not warrant, represent or guarantee in any way that this communication is free of malware or potentially damaging defects. All liability for any actual or alleged loss, damage, or injury arising out of or resulting in any way from the receipt, opening or use of this email is expressly disclaimed.

State Exceptions. Selected countrywide rules are amended as described below:

I. Under Rule XV. PREMIUM CALCULATION RULES, Rule F., the following Territorial Multiplier applies:

Territory Definitions	Multiplier
1 – Cook County	1.40
2 – Counties of Dupage, Lake and Will	1.20
3 – Remainder of State	1.00

II. The following rule has been added

PREMIUM PAYMENT INSTALLMENTS

The following installment premium payment plan shall be offered at no additional cost to the insured:

- a. an initial payment equal to 25% of the premium due at policy inception;
- b. a second payment equal to 25% of the premium due 3 months from policy inception;
- c. a third payment equal to 25% of the premium due 6 months from policy inception; and
- d. a fourth payment equal to 25% of the premium due 9 months from the policy inception.

Additional premium resulting from changes to the policy shall be spread over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy shall be billed immediately as a separate transaction.

Quarterly installment premium payment plans shall be included in the initial offer of the policy, or in the first policy renewal policy occurring after January 1, 2006. Thereafter, the insurer is not required to re-offer such payment plan, but if an insured requests such payment plan at a later date, the insurer must make it available.

Formatted: Indent: Left: 0", First line: 0"

State Exceptions. Selected countrywide rules are amended as described below:

I. Under Rule XV. PREMIUM CALCULATION RULES, Rule F., the following Territorial Multiplier applies:

Territory Definitions	Multiplier
1 – Cook County	1.40
2 – Counties of Dupage, Lake and Will	1.20
3 – Remainder of State	1.00

II. The following rule has been added

PREMIUM PAYMENT INSTALLMENTS

The following installment premium payment plans shall be offered:

1. For annual premiums up to and including \$80,000, a three-installment payment plan payable as follows:
 - a. an initial payment equal to 50% of the premium due at policy inception;
 - b. a second payment equal to 25% of the premium due 2 months from policy inception; and
 - c. a third payment equal to 25% of the premium due 4 months from policy inception.
2. For annual premiums in excess of \$80,000, a five-installment payment plan payable as follows:
 - a. an initial payment equal to 30% of the premium due at policy inception;
 - b. a second payment equal to 25% of the premium due 2 months from policy inception;
 - c. a third payment equal to 20% of the premium due 4 months from policy inception;
 - d. a fourth payment equal to 15% of the premium due 6 months from policy inception;
 - e. a fifth payment equal to 10% of the premium due 8 months from policy inception.

Additional premium resulting from changes to the policy shall be spread over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy shall be billed immediately as a separate transaction.

State Exceptions. Selected countrywide rules are amended as described below:

I. Under Rule XV. PREMIUM CALCULATION RULES, Rule F., the following Territorial Multiplier applies:

Territory Definitions	Multiplier
1 – Cook County	1.40
2 – Counties of Dupage, Lake and Will	1.20
3 – Remainder of State	1.00

II. The following rule has been added

PREMIUM PAYMENT INSTALLMENTS

The following installment premium payment plans shall be offered:

1. For annual premiums up to and including \$80,000, a three-installment payment plan payable as follows:
 - a. an initial payment equal to 50% of the premium due at policy inception;
 - b. a second payment equal to 25% of the premium due 2 months from policy inception; and
 - c. a third payment equal to 25% of the premium due 4 months from policy inception.
2. For annual premiums in excess of \$80,000, a five-installment payment plan payable as follows:
 - a. an initial payment equal to 30% of the premium due at policy inception;
 - b. a second payment equal to 25% of the premium due 2 months from policy inception;
 - c. a third payment equal to 20% of the premium due 4 months from policy inception;
 - d. a fourth payment equal to 15% of the premium due 6 months from policy inception;
 - e. a fifth payment equal to 10% of the premium due 8 months from policy inception.

Additional premium resulting from changes to the policy shall be spread over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy shall be billed immediately as a separate transaction.

Formatted: Indent: Left: 0.25"

Formatted: Indent: Hanging: 0.25"

Formatted: Indent: Left: 0.5",
Hanging: 0.25"

Formatted: Indent: Hanging: 0.25"

Formatted: Indent: Left: 0.25",
Hanging: 0.25"

Formatted: Indent: Left: 0.5",
Hanging: 0.25"

Formatted: Indent: Left: 0.25"

Deleted: 10/2003

Neuman, Gayle

From: Wolfrom Jr, Robert E [Robert.WolfromJr@ace-ina.com]
Sent: Wednesday, May 16, 2007 12:17 PM
To: Neuman, Gayle
Subject: RE: Ace American - Ace of Illinois - Rule Filing #07-PR-118
Attachments: General Rules-IL _05-07_.pdf

Ms. Neuman,
 We have updated the Illinois General Rules as you suggest by deleting the words "up to" in Note 2 of Table XVI. The edition date has been updated to 05/2007 as a result of this change.

Bob Wolfrom
 ACE INA
 Filing & Regulation
 215.640.5123

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, May 16, 2007 9:36 AM
To: Wolfrom Jr, Robert E
Subject: RE: Ace American - Ace of Illinois - Rule Filing #07-PR-118

So, it is actually 50% and not "up to 50%"? No insured would just get a 35% credit? If this is correct, we request you change the wording of the manual section.

From: Wolfrom Jr, Robert E [mailto:Robert.WolfromJr@ace-ina.com]
Sent: Tuesday, May 15, 2007 3:10 PM
To: Neuman, Gayle
Subject: RE: Ace American - Ace of Illinois - Rule Filing #07-PR-118

The credit of 50% is applied once the underwriter has confirmed that the employee has additional coverage provided by their employer equal to the limits and scope provided by the ACE policy.

Bob Wolfrom
 ACE INA
 Filing & Regulation
 215.640.5123

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Friday, May 11, 2007 9:54 AM
To: Wolfrom Jr, Robert E
Subject: Ace American - Ace of Illinois - Rule Filing #07-PR-118

Mr. Wolfrom,

We have an additional question about the rate/rule manual. Under XVI. Rates, Table I, Note 2, it states a credit of up to 50% applies to individuals who receive primary professional liability coverage from their employer. Please explain how the exact percentage would be determined for each insured.

We request receipt of your response by May 18, 2007.

Gayle Neuman
 Property & Casualty Compliance, Division of Insurance
 Illinois Department of Financial & Professional Regulation
 (217) 524-6497

5/16/2007

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (<http://www.idfpr.com/>) by clicking on: Insurance; Industry; Regulatory; IS3 Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: Gayle.Neuman@illinois.gov

This email is intended for the designated recipient(s) only, and may be confidential, non-public, proprietary, protected by the attorney/client or other privilege. Unauthorized reading, distribution, copying or other use of this communication is prohibited and may be unlawful. Receipt by anyone other than the intended recipient(s) should not be deemed a waiver of any privilege or protection. If you are not the intended recipient or if you believe that you have received this email in error, please notify the sender immediately and delete all copies from your computer system without reading, saving, or using it in any manner. Although it has been checked for viruses and other malicious software ("malware"), we do not warrant, represent or guarantee in any way that this communication is free of malware or potentially damaging defects. All liability for any actual or alleged loss, damage, or injury arising out of or resulting in any way from the receipt, opening or use of this email is expressly disclaimed.

This email is intended for the designated recipient(s) only, and may be confidential, non-public, proprietary, protected by the attorney/client or other privilege. Unauthorized reading, distribution, copying or other use of this communication is prohibited and may be unlawful. Receipt by anyone other than the intended recipient(s) should not be deemed a waiver of any privilege or protection. If you are not the intended recipient or if you believe that you have received this email in error, please notify the sender immediately and delete all copies from your computer system without reading, saving, or using it in any manner. Although it has been checked for viruses and other malicious software ("malware"), we do not warrant, represent or guarantee in any way that this communication is free of malware or potentially damaging defects. All liability for any actual or alleged loss, damage, or injury arising out of or resulting in any way from the receipt, opening or use of this email is expressly disclaimed.

I. APPLICATION OF MANUAL

- A. The rules contained in these pages govern the writing of Professional and General Liability policies for Allied Health professionals.
- B. The rules, rates, rating plans and forms filed on behalf of the Company, and not in conflict herewith, will govern in all cases not specifically provided for herein.

II. POLICY TERM

- A. Policies may be written for a term of one year and renewed annually thereafter.

Coverage may be extended for a period not to exceed sixty (60) days beyond expiration date, subject to the consent of the Company and the rates and forms in effect for the expiring policy term. Premiums for this extension shall be calculated on a pro-rata basis.

Coverage may be renewed, subject to the consent of the Company, for additional periods by payment of a premium calculated according to the company's rates, rules and forms in effect at the time of renewal.

III. PREMIUM COMPUTATION

- A. Premiums at policy inception will be computed using rules, rates and rating plan in effect at that time.
- B. When a policy is issued for other than a whole year, the premiums will be computed on a pro-rata basis.

IV. FACTORS OR MULTIPLIERS

Unless otherwise noted, factors or multipliers are to be applied consecutively, as opposed to being added together.

V. POLICY WRITING MINIMUM PREMIUM

No policy minimum premium applies.

VI. WHOLE DOLLAR RULE

- A. The premium for each peril, coverage or exposure for which a separate premium is calculated will be rounded to the nearest whole dollar as follows:
 - 1. Any value involving \$.50 or more will be rounded up to the next highest whole dollar amount.
 - 2. Any value involving \$.49 or less will be rounded down to the next lowest whole dollar amount.

VII. ADDITIONAL PREMIUM CHARGES

- A. All coverage changes or additions involving additional premiums will be pro-rated based upon the effective date of the change.
- B. The rates and rules that were in effect at the inception date of the policy period are to be used in all additional premium calculations.
- C. Additional premiums of \$24 or less may be waived. This waiver only applies to charges due on the effective date of change endorsements.

VIII. RETURN PREMIUMS

- A. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
- B. Return premiums are computed using rates in effect at the policy inception.
- C. Return premiums are computed pro rata and rounded in accordance with the whole dollar rule when any coverage or exposure is deleted, or an amount of insurance is reduced.

IX. POLICY CANCELLATIONS

- A. This policy may be canceled flat by the Insured within 60 days of the effective date. Evidence of such cancellation must be received by the Company within the 60-day period.
- B. Any cancellation initiated by the Company more than 60 days from inception will be computed on a pro-rata basis.
- C. Cancellation initiated by the Insured will be computed pro rata less a penalty of 10% unless the same coverage is rewritten by the Company, in which case no penalty shall be applied.

X. COVERAGE

- A. Professional Liability is available on an occurrence or claims made basis.
- B. General Liability is provided on an occurrence or claims made basis.

XI. ELIGIBILITY

Rate Tables I and II under Section XVI. of these rules list the categories of service providers that are eligible for coverage.

The following additional eligibility/rating criteria apply to entities:

- 1. Entities with more than 75 full time equivalent employees will be written on a Refer to Company basis.

XII. LIMITS OF LIABILITY

A. The rates displayed in Rate Tables I and II under Section XVI. are to be treated as follows:

1. Table I provides Professional Liability rates for all allied health professionals, other than Optometrists and Opticians, for limits of \$1,000,000/\$3,000,000.

The table below provides the Differential Limits Factors used in calculating Professional Liability rates for other optional limits below \$1,000,000/\$3,000,000. For Differential Limits Factors for limits above \$1,000,000/\$3,000,000, refer to company for the factor to be used.

Aggregate	25	100	200	250	500	1,000
75	0.395					
300		0.632				
500				0.752	0.822	
600			0.712			
750				0.758	0.830	
1,000					0.834	0.944
3,000						1.000

2. Table II provides Professional Liability rates for Optometrists and Opticians for limits of \$1,000,000/\$1,000,000.

The table below provides the Differential Limits Factors used in calculating Professional Liability rates for other optional limits up to \$1,000,000/\$3,000,000. For Differential Limits Factors for limits above \$1,000,000/\$3,000,000, refer to company for the factor to be used.

Per Professional Incident (000) / Aggregate	
100 / 300	0.449
200 / 600	0.590
250 / 750	0.638
300 / 800	0.682
400 / 900	0.760
500 / 1,000	0.816
1,000 / 1,000	1.000
1,000 / 2,000	1.010
1,000 / 3,000	1.020

XIII. DEDUCTIBLE

The basic Allied Health Professional Liability policy has no deductible.

For firms or entities, the following deductible options may be selected, and the insured is responsible for the entire amount of each loss up to the selected deductible amount.

Deductible eroded by Indemnity	Factor
\$2,500	.975
\$ 5,000	.950
\$10,000	.925
\$15,000	.900
\$20,000	.875
\$25,000	.850
Over \$25,000	Refer to Company

Deductible eroded by Indemnity and Other Payments	Factor
\$2,500	0.968
\$ 5,000	0.935
\$10,000	0.903
\$15,000	0.870
\$20,000	0.838
\$25,000	0.805
Over \$25,000	Refer to Company

XIV. OPTIONAL COVERAGES

A. Additional Insured

An additional insured may be added to the policy for a charge of \$250, with the exception of certified members of the National Association of Alcoholism and Drug Abuse Counselors (NAADAC) as defined in Note 1 under Rate Table 1 of Section XVI of these rules. For certified members of NAADAC the additional insured charge is \$50. Such additional insureds may include clinics, hospitals, etc., to which the insured may be contracted.

Lessors may be added to the policy as an additional insured at no additional premium. (All other additional insureds must be referred to the Company for underwriting.)

Additional insureds as described in this section will be added on a shared limits basis.

B. General Liability

General Liability is available for an additional premium. The occurrence General Liability premium is calculated at 10% of the mature claims made professional liability premium at the same limit of liability. If the General Liability coverage is provided on a claims made basis then the premium must be calculated as the occurrence premium multiplied by the appropriate step factor. The premium for other limits will be rated on a refer to company basis. Entities (Organizations including Corporations, Partnership, Joint Venture, Trust or Limited Liability Company) are subject to a minimum charge of \$250.

If General Liability coverage is purchased, then Employee Benefits Liability coverage is available at no additional premium.

Insureds that purchase General Liability may obtain coverage for Certified Acts of Terrorism, as defined in the Terrorism Risk Insurance Act of 2002, for an additional premium charge of up to 5% of the otherwise applicable General Liability premium.

C. Non-Owned Automobile Liability

This coverage option is available for entities only. The premium is calculated by multiplying the applicable rate by the total number of employees. The rates for the available limits options (000) are shown in the table below, along with the minimum premiums applicable to this coverage option.

	\$250/\$250	\$500/\$500	\$1,000/\$1,000	\$1,000/\$3,000
Per Employee Charge	\$14	\$16	\$18	\$20
Minimum Premium	\$250	\$500	\$1,000	\$1,000

D. Claims Made Coverage

The following rating procedures apply to professional liability written on a claims made basis:

1. Determine the applicable occurrence premium.
2. Determine the retroactive date. If the date goes back 5 years or more, the Mature Claims-Made Factor from the Claims Made Step Factor table should be applied to the premium developed in 1. above.

Note: The retroactive date may be advanced only at the request of the insured or with the insured's written acknowledgement.

3. If the allied health professional is just entering practice, has been continuously insured under an occurrence policy or if no prior acts coverage is being provided, select the year 1 claims made factor from the Claims Made Step Factor table and apply it to the occurrence premium determined in 1. above.
4. If the allied health professional has been insured under a claims made policy for one or more years immediately preceding the effective date of the policy to be issued, and prior acts coverage is being provided, the following procedure will apply:
 - a. Determine the number of years in which the allied health professional has been insured under a claims made policy;
 - b. The number determined in a. above will be the "prior years of exposure". Fractional years of 6 months or more will be rounded up to the next higher year; less than 6 months will be rounded down to the next lower year.
 - c. The selection from the Claims Made Step Factor table is made by adding one year to the "prior years of exposure" developed in a. and b. above. The additional year is to account for the new policy to be issued.
 - d. The applicable factor in the Claims Made Step Factor **table** is to be applied to the premium developed in 1. above.

TABLE OF CLAIMS-MADE STEP FACTORS

YEARS	STEP FACTORS
YEAR 1	.55
YEAR 2	.69
YEAR 3	.82
YEAR 4	.91
YEAR 5 OR MORE (Mature)	1.00

E. Extended Reporting Period Coverage

An extended reporting period may be provided for up to an unlimited basis, subject to the following:

1. Except as described in 6. below, the extended reporting period is available only if the policy is cancelled or nonrenewed by either the company or the insured.
2. The insured must notify us in writing of his or her election of the extended reporting period within 60 days of the effective date of termination of the policy.
3. Any earned premium due on the policy and the premium for the extended reporting period must be paid in full before the extended reporting period will be effective.

4. The entire premium for the extended reporting period will be deemed earned when the extended reporting period begins.
5. The premium for the extended reporting period will be developed by applying the appropriate factor from the table below to the mature claims made premium for Coverage A otherwise developed for the risk based on the rates and rules in effect on the date the policy was last renewed or last issued:

Claims-Made Year	Length of ERP (Years)				
	If Claims made GL coverage is included only the 5 year or unlimited period is allowable.				
	1	2	3	5	Unlimited
1	0.278	0.428	0.533	0.556	0.579
2	0.424	0.676	0.824	0.847	0.870
3	0.539	0.843	0.995	1.019	1.042
4+	0.602	0.915	1.071	1.095	1.119

6. The premium for the extended reporting period will be waived if the insured is an individual and:
 - i. Dies or becomes totally and permanently disabled during the policy period; or
 - ii. Retires, if at least age 55 and insured for professional liability by us for 5 or more continuous years.

If the insured returns to the practice of his or her professional services after retirement or after a period of total and permanent disability and after the issuance of the extended reporting period Endorsement and premium waiver, the extended endorsement will be cancelled unless the insured contacts us within 30 days to request an extended reporting period without waiver of premium and pays the appropriate extended reporting period premium developed from the rates, rules and rating plans in effect for us at the time of the insured's retirement or disability.

7. The Professional liability extended reporting period does not increase or reinstate the limits of liability. If General Liability Coverage is also required for the extended reporting period, then reinstatement must be provided.

F. Leave of Absence

Subject to Company underwriting approval, coverage under an in-force policy may be suspended for a period of not less than 30 days, and not more than six months. This suspension may be made without premium adjustment. The expiration of the policy is extended by the same length of time that the policy was suspended. This feature can be used for a parental leave, medical leave, military call-up to active duty, or a sabbatical.

XV. PREMIUM CALCULATION RULES

A. Base Rates.

The premium for this policy is calculated on a "per professional" basis. The base rates will be applied in accordance with the allied health professional specialty as shown in Tables I and II of Section XVI. If two or more classifications apply to the same professional, the highest rated classification is to be used.

B. Base Rate Adjustments.

1. Part Time. A part-time base rate adjustment factor of .50 will apply to any individual allied health professional who is self-employed and works 16 hours or less per week.

C. Surcharges

Category	Surcharge
Supplemental Staffing	A surcharge of up to 25% will apply to entities or individuals engaged in supplemental staffing.
Registry	A registry surcharge of up to 25% will apply to entities or individuals that do registry services.
Background Check	A surcharge of up to 10% will apply to entities or individuals not performing background checks on their employees and independent contractors.
Nursing Homes / Assisted Living Centers / Long Term Care Facilities / Prisons	A surcharge of up to 25% will apply to entities or individuals that do staffing of Nursing Home Facilities, Assisted Living Centers, Long Term Care Facilities, or Prisons.
High Tech / Critical Care	A surcharge of up to 25% will apply to entities or individuals engaged in high tech / critical care services, including Surgical, Pediatric, Infusion Therapy, and Tracheotomy/Ventilator Care.

The surcharges shown above are additive if more than one applies, subject to a maximum surcharge of 65%.

D. Full Time Equivalent (FTE).

For all types of risks other than individuals and students, calculate the number of applicable FTEs as follows:

In accordance with the professional rate classifications, sum the total annual hours worked for each classification. Divide each of these totals by classification by 2000 hours (one Full Time Equivalent) to establish the number of FTE slots to be charged for each classification. Fractions of FTE slots per applicable classification grouping will be rounded up to the next highest FTE.

E. Schedule Rating

The schedule rating credit or debit will be equal to the sum of the selected credits or debits given for each of the individual risk characteristics shown in the table below, subject to a maximum credit or debit of 25%.

Characteristic	Max Credit	Max Debit
Claims History	25%	25%
Risk Management	20%	20%
Nature of Operations	15%	15%

F. Territorial Multiplier

Apply the territorial multiplier shown in the state exception pages. Select the territorial multiplier associated with the territory in which the individual works.

G. Entity Rating Factor

An entity rating factor of up to 1.20 will apply to all entities (Organizations including Corporations, Partnership, Joint Venture, Trust or Limited Liability Company) in addition to any other rating factors that apply, subject to a minimum charge of \$1,000. This rating rule is applied after the application of the increased limits factor but before any other rating factors. This rating rule also applies to student blanket policies.

H. Internet Discount

A 5% credit shall be applied to policies marketed through electronic commerce distribution channels.

XVI. Rates

Table I

Professional Classification	Professional Rate	Student Rate
Addiction Counselor (NAADAC Program) (1)	199	25
Addiction Counselor (Non-NAADAC) (2)	433	25
Addiction Interventionist	577	N/A
Administrative/Clerical	130	43
All other Aide, Assistant, or Technician	311	104
Art, Music, Dance, Pet, and Recreation Therapist (2)	311	N/A
Audiologist	311	104
Auricular & Full Body Acupuncture Therapy and Counseling	866	286
Auricular Acupuncture Therapy and Counseling	433	143
Behavioral Analyst	433	25
Blood Bank Technician	311	104
Cardiology Technician	311	104
Case Workers and Case Manager (2)	433	144
Certified Employee Assistance Professional	333	25
Certified Tech./ Assistant	311	104
Companion	150	50
Cytotechnologist	311	104
Dental Assistant	130	43
Dental Hygienist	311	104
Dialysis Technician	311	104
Dietician/Nutritionist	311	104
EKG/EEG Technician	311	104
Health Educator (2)	311	104
Home Health Aide	200	67
Homemaker	150	50
Intern Mental Health/Addiction Counselor	311	NA
Lab Technician	311	104
Licensed or Certified Mental Health Counselor (2)	433	25
LPN	311	104
Marriage and Family Therapists/Counselor (2)	433	25
Massage Therapist	577	192
Medical Office Assistant	130	43
Medical Records Technician	311	104
Medical Technologist	311	104
MRI Technician	311	104
Nurse Aide	180	60
Nurse Practitioner	1250	417
Nurse/RN	350	117
Occupational Therapist	400	133
Paramedics/EMTs (Eligible for Students Only)	N/A	200
Pastoral Counselor	433	N/A
Pathology Assistant	311	104
Patient Intake Technician	130	N/A
Personal Coach	433	N/A

Professional Classification	Professional Rate	Student Rate
Pharmacist (Mail Order, Nuclear)	750	250
Pharmacist (Non-Mail Order – Non-Nuclear)	600	200
Pharmacy Assistant	200	67
Pharmacy Technician (Dispensing)	300	100
Phlebotomist	311	104
Physical Therapist	577	192
Physician's Assistant	N/A	667
Psychological Assistant (Masters Degree) (2)	577	N/A
Psychologist (Bachelors or Masters Degree) (2)	1250	N/A
Psychologist (Doctorate Degree)	1250	Post Doctoral 311
Radiological Technologist	311	104
Rehabilitation Counselor/Therapist	433	25
Rehabilitation Counselor/Therapist Assistant	311	N/A
Respiratory Assistant	311	104
Respiratory Therapist	600	200
Social Worker (2)	433	25
Speech Therapist (2)	400	133
Surgical Assistant	N/A	667
Surgical Technologist	311	104
Surgical Technologist/First Assistant	311	104
Ultrasound Technician	311	104
Utilization Review Technician (2)	433	N/A
Volunteer	130	N/A
Wellness Counselor (2)	433	25
X-Ray Machine Operator/Technician	311	104

Note 1.

Certified Members of the National Association of Alcoholism and Drug Abuse Counselors (NAADAC) are to be written in conjunction with the Behavioral Health Purchasing Group with the rate shown in Table I for limits of \$ 1,000,000 Per Professional Incident / \$ 3,000,000 Aggregate. This rate contemplates coverage for individuals who have been NCAC certified as members of NAADAC. The only Optional Coverages under Section XIV offered for these members are the Entity Coverage Extension, the Additional Insured Endorsement and Claims Made Coverage.

Note 2.

A credit of up to 50% applies to individuals who receive primary professional liability coverage from their employer.

Table II

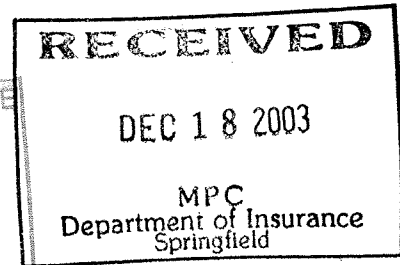
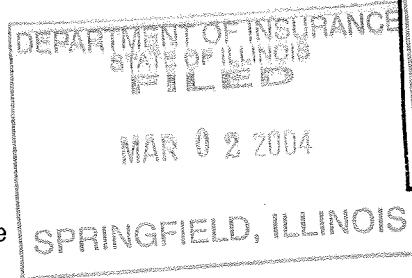
Allied Health Professional Liability Rate Table – Optometrists/Opticians		
Basic Limits - \$1,000,000 / \$1,000,000		
Professional Classification	Professional Rate	Student Rate
Optometrists	416	139
Opticians	293	98



P E R R & K N I G H T

December 11, 2003

Honorable Nat Shapo
Director of Insurance
Illinois Department of Insurance
320 West Washington Street
Springfield, Illinois 62767



Attention: Mr. John Gatlin
Supervising Insurance Analyst

Re: ACE American Insurance Company NAIC# 626-22667 FEIN# 95-2371728
ACE Insurance Company of Illinois NAIC# 626-22691 FEIN# 36-2709121
Medical Malpractice Forms, Rates and Rules Filing
Allied Health Program
Company Filing Number: 03PR369
Proposed Effective Date: Earliest Possible Date upon Acknowledgement or Approval

On behalf of ACE American Insurance Company of Illinois (the "Company"), we are submitting a filing to introduce a new Allied Health Program that completely replaces the Company's existing Allied Health Program. This filing includes an actuarial memorandum, supporting exhibits, as well as the enclosed forms list and all forms and endorsements that will be used in this program.

We respectfully request that the proposed forms, rates and rules be implemented for all business effective on and after the earliest possible date of acknowledgement or approval.

A copy of the cover letter and a self-addressed postage paid envelope are provided for the Department's acknowledgement or approval.

Please do not hesitate to contact us if you have any questions.

Sincerely,

Tenishia Ramsey
State Filings Consultant
phone: (888) 201-5123 extension 109
fax: (310) 230-1061
e-mail: tramsey@perrknight.com

Enclosures

Handwritten: Judy Rose Bartcher
CASUALTY/ACTUARY
ILLINOIS DEPT OF INSURANCE
RECEIVED/APPROVED
12/03/03

+94.3%

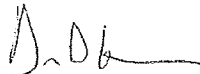
March 2, 2004

ACE American Insurance Company
ACE Insurance Company of Illinois

**Re: Filing Certification
Allied Health Program Rates and Rules
Illinois**

The rates included in this filing are based on sound actuarial principles and are not inconsistent with the experience of ACE American Insurance Company or ACE Insurance Company of Illinois.

by,



Brandon D. Keller, FCAS, MAAA
Consulting Actuary
Perr&Knight



Caroline Clouser
Senior Vice President
ACE INA Group





ace ina

MAR 20 2003

Regulatory & Product Line
Support Services
Routing TL35E
1601 Chestnut Street
Philadelphia, PA 19101

(215) 640-4215 tel
(215) 640-5611 fax

jonathan.cooperman@ace-ina.com
www.ace-ina.com

Jonathan L. Cooperman
Filing Specialist

March 17, 2003

State of Illinois
Department of Insurance
320 West Washington Street
Springfield, IL 62767-0001
Attention: Mr. Mark A. Smith, Insurance Analyst

FEIN # 95-2371728

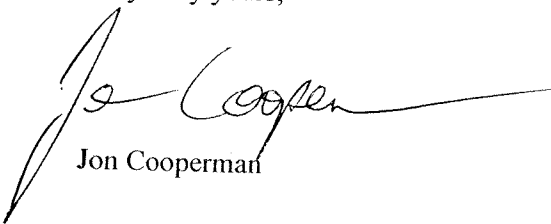
Re: ACE AMERICAN INSURANCE COMPANY 626-22667
ACE Ins. Co. of IL. FEIN # 36-2709121
Independent Filing – Medical Malpractice Insurance
Allied Health Professional and Supplemental Liability Insurance
Program Revision – Rates, Rules and Forms
Our Filing Number 2001-PR-190 REV

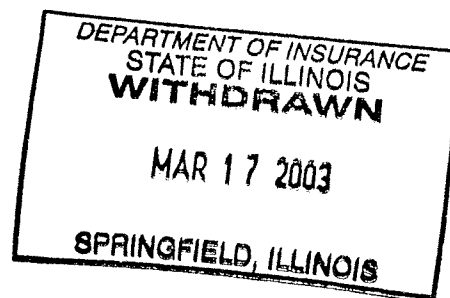
Dear Mr. Smith:

We previously submitted a revised forms & rate filing in the Allied Health program captioned above. Please note that we now wish to **withdraw** any filings for the above-referenced program that are pending before your office.

If you have any questions or need additional information, please do not hesitate to contact the undersigned.

Very truly yours,


Jon Cooperman





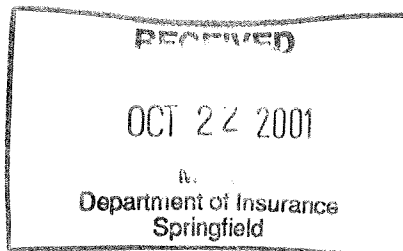
ace usa

ACE USA 215.640.1282 *tel*
 Filing & Regulation, Corporate 215.640.5611 *fax*
 Underwriting
 Routing TL30F karen.moore@ace-ina.com
 1601 Chestnut Street www.ace-ina.com
 Philadelphia, PA 19103

Karen N. Moore
Senior State Filing Specialist

October 15, 2001

Director of Insurance
 Illinois Department of Insurance
 320 West Washington Street
 Springfield, Illinois 62767

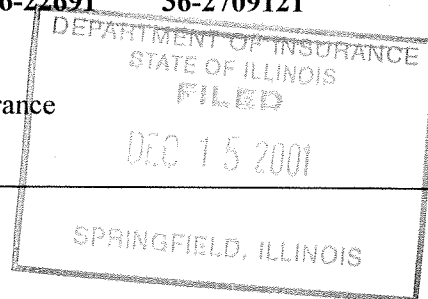


Attention: Rate Review

**Re: ACE AMERICAN INSURANCE COMPANY
 ACE INSURANCE COMPANY OF ILLINOIS**

626-22667 95-2371728
 626-22691 36-2709121

Independent Filing – Medical Malpractice Insurance
 Allied Health Professional and Supplemental Liability Insurance
 Program Revision – Rates, Rules and Forms
 Our Filing Number 2001-PR-190



Dear Commissioner:

Please accept this filing as a complete revision of ACE American Insurance Company's Allied Health Professional and Supplemental Liability Insurance Program.

This program was originally filed in 1999, under our filing number 99-PR-144, with the majority of states' effective dates being in the third quarter of 1999. The original program offered professional liability on an occurrence basis only, with defense costs covered in addition to the limits of liability. Enclosed for your review are a completely revised and updated set of rules, rates, state exception pages, forms and endorsements. With this filing, we are introducing a claims made option, an option for insuring defense costs within the limits of liability, and an option for insuring defense costs subject to a separate limit of liability (where permitted). The state exception pages and state amendatory endorsements reflect, to the best of our knowledge, state differences in the subjects of claims made and defense within limits.

The rules and rates have been revised and updated to include the claims made and defense costs options, as well as a general rate increase, based on a comprehensive review of competitors offering insurance for similar allied health care classifications. Additionally, we are revising the basic limits offered, introducing territorial multipliers, offering the option of selecting larger deductibles, as well as participating deductibles, adding a schedule rating plan, as well as general editing and clarification of several rules. A copy of the current program's rules is enclosed detailing the edits, additions and deletions to the rules. Full details may be found in the enclosed Explanatory Memorandum.

The policy forms have increased from two to eight, to account for the claims made and defense options, as well as to maintain our separate policy forms for allied health care workers who are employed verses

One of the ACE Group of Insurance & Reinsurance Companies

*Received
 Casualty Section
 10/30/01*



ace usa

those who are business entities or self-employed. The current program's optional endorsements have been revised editorially to reflect the new policy forms, as well as to track with coverage changes. Some of the endorsements have not changed from the prior program, but are included here, for information, to retain the integrity of the program. New endorsements are introduced to allow for the new deductible option, claims made requirements and defense costs options. Full details may be found in the enclosed Forms Listings and Descriptions.

We wish to utilize this updated program for all new business and renewal policies effective on and after December 15, 2001, or the earliest date your Department will allow. To that end, we seek your acknowledgment, and where required, approval.

Regards,

Karen N. Moore

KNM:mt



ace usa

ACE USA
Filing & Regulation; Corporate
Underwriting
Routing TL30F
1601 Chestnut Street
Philadelphia, PA 19101-1484

215.640.1282 tel
215.640.5611 fax

karen.moore@ace-ina.com
www.ace-ina.com

Karen N. Moore
Senior State Filing Specialist

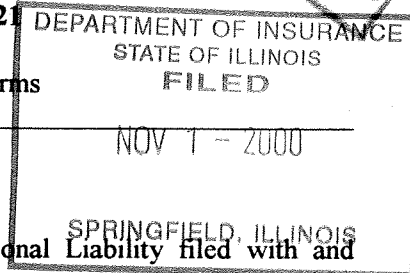
September 22, 2000

Attn: Form and Rule Revision Review

Director of Insurance
Illinois Department of Insurance
320 West Washington Street
Springfield, Illinois 62767

RATE REVIEW

Re: ACE AMERICAN INSURANCE COMPANY 95-2371728
ACE INSURANCE COMPANY OF ILLINOIS 36-2709121
Independent Filing - Medical Professional Liability
Dental Professional Liability - Revised Rules and Revised/New Forms
Our Filing Number 2000-PR-146



Dear Commissioner:

Please accept this filing in revision to our program of Dental Professional Liability filed with and approved by your Department under our filing number 96-PR-039 in 1996.

ACE USA, formerly CIGNA P&C, has provided Dental Professional Liability claims-made coverage for dentists since 1996. At this time, ACE USA proposes to file an extensive revision to our existing program. Our original 1996 filing was targeted to a specific class (Implant Dentists) due to an endorsement we received from the American Academy of Implant Dentists. We no longer have that program, but wish to continue to write general dentists and other classes associated with them. Since the program filed in 1996 has not provided ACE USA with experience necessary to revise the existing program, we propose that the program be revised based on classification information included in recent filings from The Medical Protective Company. The proposed changes to our filing are the result of our desire to provide a dental malpractice product that is competitive within the market. Our current filing is not up to date or within actual market conditions. All proposed changes are derived from the most recent Medical Protective Company's dental malpractice filings. The Medical Protective filing, in fact, was itself developed based on an intense review of rates, rules and forms of the leading writers of dental malpractice (TDIC, Safeco).

The enclosed Dental Professional Pages DEN-1 through DEN-8 have been revised as follows:

1. Rule X. Limit of Liability has been replaced by that of The Medical Protective Company to increase range from 200/600 to 5000/5000 to theirs of 100/300 to 5000/7000.
2. Under Rule XV. Calculation of Premium, the Class Descriptions for Classes I to V have been replaced by those of The Medical Protective Company. None of the rules under Section 3. have been changed from our current program with the exception of 3.c., the Step Factors, which are The Medical Protective Company's, and apply only to Classes I to V. None of the rules in Section 4. has changed from the



ace usa

currently filed program, with the exception of item h. which adds a 20% credit for dentists who are employees of an insured dentist/dental office.

3. The Rating Methodology note has been deleted as not applicable to Classes I to V under The Medical Protective Company's classifications.

4. The Medical Protective Company's Claim Free Credit Rule XXII. has been added, restricted to Classes I to V only.

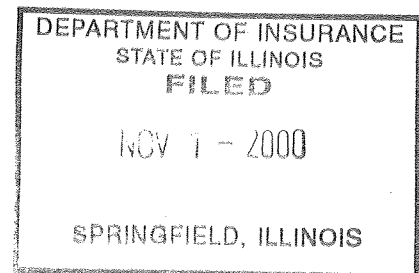
Also enclosed are a revised Declarations to allow fields for the supplementary coverages, a new mandatory Dental Expanded Coverage Endorsement, and a new Dental Settlement Provision Endorsement. The two new endorsements are designed to modernize our existing coverage form, bringing coverage up to that of our competitors in this market. The coverages are derived from Medical Protective's endorsement of the same name, and also include ancillary coverages contained in ACE American's Allied Health Professional Liability coverage form, filed under our filing number 99-PR-144, in 1999. The Settlement Provision Endorsement is intended to replace our antiquated and anti-consumer "hammer clause" provision with an arbitration provision which most insurers have implemented.

The proposed rules and coverage enhancements will have a negligible impact on current insureds' rates, as their class would be rated similarly to the current filing. The coverage enhancements will provide more favorable settlement provisions and coverage that is closer to the current providers of dental malpractice in your state.

We wish to implement the revisions presented in this filing to all new business and renewal policies effective on and after November 1, 2000. To that end we seek your acknowledgment, and where required, approval.

Regards,

Karen N. Moore



ILLINOIS DEPARTMENT OF INSURANCE

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 11/01/00 (new) 11/01/00 (ren)

(1) <u>Coverage</u>		(2) <u>Annual Premium Volume (Illinois)*</u>	(3) <u>Percent Change (+ or -)**</u>
1.	Automobile Liability Private Passenger Commercial		
2.	Automobile Physical Damage Private Passenger Commercial		
3.	Liability Other Than Auto		
4.	Burglary and Theft		
5.	Glass		
6.	Fidelity		
7.	Surety		
8.	Boiler and Machinery		
9.	Fire		
10.	Extended Coverage		
11.	Inland Marine		
12.	Homeowners		
13.	Commercial Multi-Peril		
14.	Crop Hail		
15.	Other <u>Medical Mal</u> Line of Insurance	<u>2,456</u>	

Does filing only apply to certain territory (territories) or certain classes? If so, specify: ☒ yes ☐ no

DENTISTS CLASSIFICATIONS

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):

DENTAL PROF LIAB - REVISED CLASSES, RULES, FORMS

*Adjusted to reflect all prior rate changes.

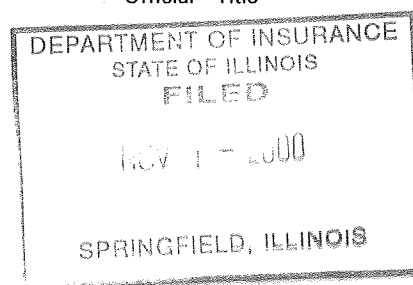
**Change in Company's premium level which will result from application of new rates.

ACE INSURANCE COMPANY OF ILLINOIS

Name of Company

Karen N. Moore, Sr. State Filing Specialist

Official - Title





ace usa

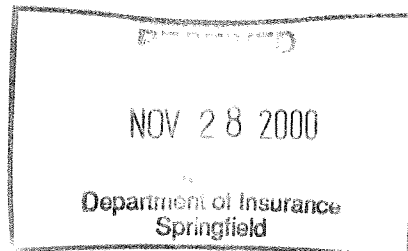
ACE USA 215.640.1282 tel/
Filing & Regulation; Corporate 215.640.5611 fax
Underwriting
Routing TL30F karen.moore@ace-ina.com
1601 Chestnut Street www.ace-ina.com
Philadelphia, PA 19101-1484

Karen N. Moore
Senior State Filing Specialist

November 20, 2000

Attention: Ms. Donna Raffa

Director of Insurance
State of Illinois
320 W. Washington Street
Springfield, IL 62767



**Re: ACE AMERICAN INSURANCE COMPANY
ACE INSURANCE COMPANY OF ILLINOIS**

**626-22667
626-22691**

Independent Filing – Medical Malpractice
Allied Health Professional Liability – Rules Revision
Add Rules for E-Commerce and Commission Discounts
Our Filing Number 2000-PR-085

Dear Donna:

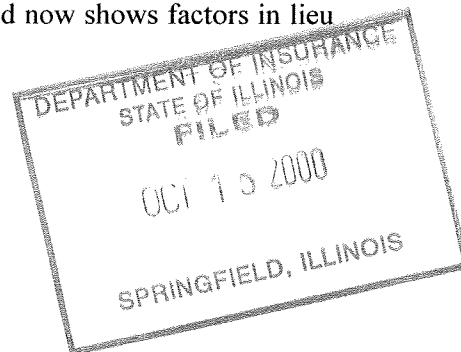
This is in response to our telephone conversation of November 13, 2000.

I enclose an updated Illinois State Exception Page to the Allied Health Professional Liability Manual. The new page replaces the Premium Discount by Commission Level Rule and now shows factors in lieu of percentages, as per your request.

Please let me know if I can be of further assistance.

Regards,

Karen N. Moore
Karen N. Moore



*Received
Sarah, AHS, MHA
12/7/2000*



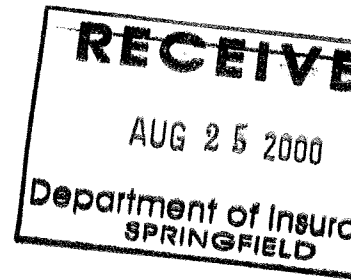
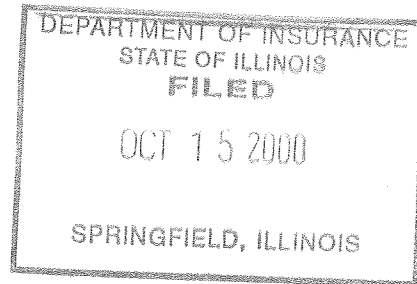
ace usa

ACE USA
Filing & Regulation; Corporate Underwriting
Routing TL30F
1601 Chestnut Street
Philadelphia, PA 19101-1484
215.640.1282 tel
215.640.5611 fax
karen.moore@ace-ina.com
www.ace-ina.com

Karen N. Moore
Senior State Filing Specialist

August 22, 2000

Director of Insurance
State of Illinois
320 W. Washington Street
Springfield, IL 62767
Attn: Rule Review



Re: ACE AMERICAN INSURANCE COMPANY 626-22667
ACE INSURANCE COMPANY OF ILLINOIS 626-22691

Independent Filing – Medical Malpractice
Allied Health Professional Liability – Rules Revision
Add Rules for E-Commerce and Commission Discounts
Our Filing Number 2000-PR-085

Dear Commissioner:

Please accept this filing in support of our Allied Health Professional Liability Program. Enclosed for your review is a new Allied Health Professional Liability Manual Pages AH-1 to AH-16, edition 8/2000. The Allied Health Care Program was last filed under our filing numbers 99-PR-144 for the original program and 99-PR-227 to add Optometrists/Opticians classifications to the program, both filings prepared in 1999, with most states' approvals being 12/15/99.

This current filing adds two new rules on Page AH-12:

Newly added **Rule H. Internet Credit** allows for a 5% credit to policies issued through an E-Commerce distribution channel. Newly added **Rule I. Premium Discount by Commission Level** allows for discounts to the manual rate based on commission level. These rules are designed to facilitate ACE's introduction of Internet and Direct Market products. These methods of product distribution will have lower commission schedules, which should ultimately lower the cost of the product to the consumer. These rules will allow us to accomplish these goals. The proposed rules do not conflict with our current expense reduction rule, as the expense rule allows for a limited reduction in cases of reduced administration expenses, e.g., efficiencies of advanced automation.

We would like to implement the use of these new rules for all new-business and renewal policies effective on and after October 15, 2000. To that end, we seek your acknowledgment and where required, approval.

Regards,

Karen N. Moore
Karen N. Moore

One of the ACE Group of Insurance & Reinsurance Companies

*Received
Sarah J. Moore, ACE, MAAA
9/16/2000*



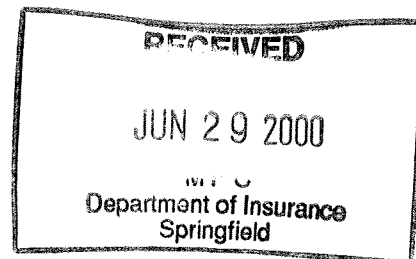
ace usa

ACE USA 215.640.1282 tel/
Filing & Regulation; Corporate 215.640.5611 fax
Underwriting
Routing TL30F karen.moore@ace-ina.com
1601 Chestnut Street www.ace-ina.com
Philadelphia, PA 19101-1484

Karen N. Moore
Senior State Filing Specialist

June 27, 2000

Director of Insurance
State of Illinois
320 W. Washington ST.
Springfield, IL 62767



Re: ACE AMERICAN INSURANCE COMPANY 626-22667-95-2371728
ACE INSURANCE COMPANY OF ILLINOIS 626-22691-36-2709121

Independent Filing – Medical Malpractice
Chiropractors Professional Liability Coverage Manual Rules Revision
Our Filing Number 00-PR-080


Dear Commissioner:

Enclosed for your review is a revision to our manual of rules for our Chiropractors Professional Liability Program. The Chiropractors Professional Liability Coverage Program is filed and either already approved or currently pending in your state. Please refer to the filing memorandum enclosed for information regarding the latest filing for this program in your state.

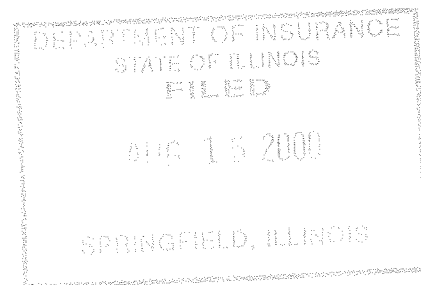
Enclosed are updated manual pages CH-1 through CH-12 which will replace those currently on file. The text and content of the revised or new rules have been taken from a competitor filing, NCMIC, from their chiropractor rules, filed circa August 1999. The basis for this filing is to update our rules so that they are more competitive in the current environment. This filing does not request any changes in our base rating structure. The filing encompasses additions of discount rules and changes to rules we have in place already. Changes to our current manual are indicated by a pound (#) sign in the right hand margin. The additional of these rules has also necessitated renumbering of rules. Full details may be found in the enclosed materials.

We would like to implement use of these revised rules for all new business and renewal policies effective on and after August 15, 2000, or the earliest date your Department will allow. To that end, we seek your acknowledgment, and where required, approval.

Regards,


Karen N. Moore

One of the ACE Group of Insurance & Reinsurance Companies



ILLINOIS DEPARTMENT OF INSURANCE

FILING FEE TRANSMITTAL FORM

(Please type or print)

THIS FORM, IN DUPLICATE, MUST BE THE FIRST DOCUMENT TO APPEAR ON THE FILING.

Date 6/27/200 Division & Code 03-Consumer

Insurance Company FEIN # 36-2709121

Company Name ACE INSURANCE COMPANY OF ILLINOIS

Contact Person Karen N. Moore

Address 1601 Chestnut Street, P.O. Box 41484

City Philadelphia State PA Zip 19101-1484

Company Filing Number 2000-80

Remarks: If a fee is not submitted for any form(s), please explain:

Number of Forms

0

X \$25.00 =

(\$500.00 Maximum)

TOTAL

Revenue Code 46
(Fill in the appropriate code listed below)

36 - Life, Accident and Health Filing Fee or
46 - Property and Casualty Filing Fee

Make Checks Payable to: Director of Insurance/State of Illinois

Note: Each company making a filing must submit duplicate Transmittal Forms with the appropriate fee. A separate check must be submitted for each company. (Refer to Public Act 86-753 for filing fee requirements.)

ILLINOIS DEPARTMENT OF INSURANCE

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 8/15/200 (new) 8/15/200 (revis)

(1)	(2)	(3)
<u>Coverage</u>	<u>Annual Premium Volume (Illinois)*</u>	<u>Percent Change (+ or -)**</u>
1. Automobile Liability Private Passenger Commercial		
2. Automobile Physical Damage Private Passenger Commercial		
3. Liability Other Than Auto		
4. Burglary and Theft		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. Other <u>MEDICAL MALPRACT</u> Line of Insurance	2,456	

Does filing only apply to certain territory (territories) or certain classes? If so, specify: ☐ yes ☒ no

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):
CHIROPRACTORS PROFESSIONAL LIAB RULES REVISION

*Adjusted to reflect all prior rate changes.

**Change in Company's premium level which will result from application of new rates.

ACE INSURANCE COMPANY OF ILLINOIS

Name of Company

Karen N. Moore, Sr. State Filing Specialist

Official - Title

ACE American Insurance Company

CHIROPRACTORS PROFESSIONAL LIABILITY COVERAGE

FILING MEMORANDUM - RULES REVISIONS

The enclosed filing represents revisions to our Chiropractors Professional Liability Underwriting and Rating Rules currently on file or pending with your state. The last filing and approval date for this professional program in your state is as follows:

AZ	97-PR0371	3/9/98
CA	97-PR-47	7/10/97 (97-4790)
CO	97-PR-47	5/22/97
CT	2000-PR-053	PENDING (25544)
DE	97-PR-47	5/22/97
FL	97-PR-47	7/1/97 (FCC97-6989)
GA	2000-PR-053	PENDING
ID	2000-PR-053	6/1/00 (116211)
IL	2000-PR-053	PENDING
IN	2000-PR-053	6/1/00
IA	99-PR-017	3/1/99
MD	97-PR-47	6/4/97
MI	2000-PR-053	6/1/2000
MN	2000-PR-053	PENDING (2002554)
MO	2000-PR-053	6/1/00
NE	98-PR-191	2/8/99 (98-3575)
NY	98-PR-036	4/9/99 (R98000674)
OH	2000-PR-053	PENDING (111661-2)
OR	2000-PR-053	PENDING (CO 0951 00)
PA	98-PR-165	9/15/98 (A22070001)
WA	2000-PR-053	PENDING
WI	2000-PR-053	6/1/2000

The text and content of the rules have been taken from a competitor filing, NCMIC, from their chiropractor rules, filed circa August 1999. The basis for this filing is to update our rules so that they are more competitive in the current environment. This filing does not request any changes in our base rating structure. The filing encompasses additions of discount rules and changes to rules we have in place already. Changes to our current manual are indicated by a pound (#) sign in the right hand margin. The additional of these rules has necessitated renumbering of rules. Details are as follows:

1. Page CH-4 - Section XIV Title changed to include word "Discounts"
2. Page CH-5 - New Practitioner Discounts - This rule has been adopted in its entirety from NCMIC's manual from their Section V - Discounts. The rule allows for decreasing discounts based on increasing years as a licensed chiropractor.
3. Page CH-6 - Section XVI. Premium Modifications, Part A. has been amended to delete two of the previous credit descriptions that had to do with years in practice discount. These are deleted as a result of the more comprehensive rule adopted under New Practitioner Discounts, above. Also, we have added Number 3, a credit for Part-Time Chiropractors working less than 10 hours per week. This description has been taken from NCMIC's rules and is new for this manual.
4. Page CH-6 - Part B. wording has been changed to reflect premium modifications in lieu of "schedule of debits and credits".
5. Page CH-7 - The Group Practice Rule has been moved from Section XIV. Additional Classifications/Charges to this Premium Modifications Section with no change in text.

6. Page CH-7 - Maximum Discounts Available – This new rule has been adopted from the same rule from the NCMIC manual, the intent being to cap the maximum discounts available for the program.
7. Page CH-7 – Rule XVII. Supplemental Professional Liability Modifications has been added to include a schedule rating plan capped at +/- 25%; a credit for loss control education; and an experience rating rule. This rule has been taken from our approved Dentists' Professional Liability Program filed and approved in your state in 1994, under our filing number 96-PR-39. Our intent is to be consistent with our professional liability products in the availability of these standard rules.
8. Page CH-8 – Rule XVIII. Expense Modification - This rule has been taken from our approved Dentists' Professional Liability Program filed and approved in your state in 1994, under our filing number 96-PR-39. Our intent is to be consistent with our professional liability products in the availability of these standard rules.
9. Page CH-10 – Rules B.5.a. and c. Rule B.5.a. text is changed to also reflect "death" requirements. Rule B.5.c. is adopted from the NCMIC manual to provide free ERP coverage in the event of the insured's death.



ace usa

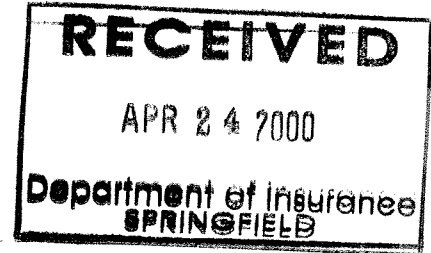
ACE USA
Filing & Regulation; Corporate Underwriting
Routing TL30F
1601 Chestnut Street
Philadelphia, PA 19101-1484
215.640.1282 tel/
215.640.5611 fax
karen.moore@ace-ina.com
www.ace-ina.com

Karen N. Moore
Senior State Filing Specialist

April 18, 2000

RATE REVIEW

Director of Insurance
State of Indiana
320 W. Washington St.
Springfield, IL 62767



Re: **ACE AMERICAN INSURANCE COMPANY**
ACE INSURANCE COMPANY OF ILLINOIS 36-2709121
Independent Filing – New Program
Chiropractors Professional Liability – Rates, Rules and Forms
Our Filing Number 00-PR-053

Dear Commissioner:

Please accept this filing as a new program offered under the Professional Liability Line of Business.

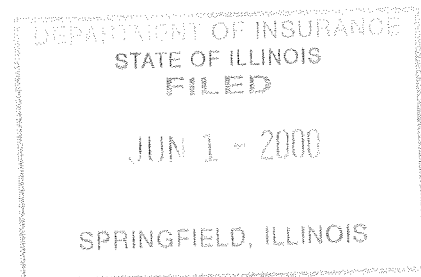
Enclosed for your review are rates, rules and forms in support of a new program, Chiropractors Professional Liability. This program is currently being written in eleven states, and we are adding an additional twelve states with this filing.

Coverage will be offered on either an occurrence or claims made basis. Since ACE American Insurance Company does not yet have sufficient experience for the development of independent rates, we have utilized those rating plans of the National Chiropractic Mutual Insurance Company and National Union Fire Insurance Company.

We would like to place this program into effect for all new business policies effective on and after June 1, 2000, or the earliest date your department will allow. To that end, we seek your acknowledgement, and where required, approval.

Regards,

Karen N. Moore



ILLINOIS DEPARTMENT OF INSURANCE

FILING FEE TRANSMITTAL FORM

(Please type or print)

THIS FORM, IN DUPLICATE, MUST BE THE FIRST DOCUMENT TO APPEAR ON THE FILING.

Date 04/14/2000 Division & Code 03-ConsumerInsurance Company FEIN # 36-2709121Company Name ACE INSURANCE COMPANY OF ILLINOISContact Person Karen N. MooreAddress 1601 Chestnut Street, P.O. Box 41484City Philadelphia State PA Zip 19101-1484Company Filing Number 2000-53

Remarks: If a fee is not submitted for any form(s), please explain:

Number of Forms

16

X \$25.00 =

400.00

TOTAL

(\$500.00 Maximum)

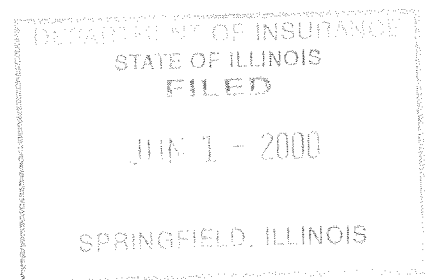
Revenue Code 46
(Fill in the appropriate code listed below)

36 - Life, Accident and Health Filing Fee or

46 - Property and Casualty Filing Fee

Make Checks Payable to: Director of Insurance/State of Illinois

Note: Each company making a filing must submit duplicate Transmittal Forms with the appropriate fee. A separate check must be submitted for each company. (Refer to Public Act 86-753 for filing fee requirements.)



ILLINOIS DEPARTMENT OF INSURANCE

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 06/01/2000 (new) **NEW PRGM** (ren)

(1) <u>Coverage</u>	(2) <u>Annual Premium Volume (Illinois)*</u>	(3) <u>Percent Change (+ or -)**</u>
1. Automobile Liability Private Passenger Commercial		
2. Automobile Physical Damage Private Passenger Commercial		
3. Liability Other Than Auto	577,078	
4. Burglary and Theft		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. Other		
Line of Insurance		

Does filing only apply to certain territory (territories) or certain classes? If so, specify: ☐ yes ☒ no

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):

CHIROPRACTORS RATES, RULES, FORMS - NEW PROGRAM

* Adjusted to reflect all prior rate changes.

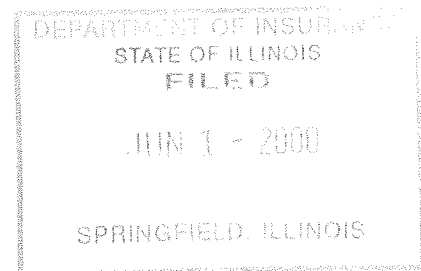
** Change in Company's premium level which will result from application of new rates.

ACE INSURANCE COMPANY OF ILLINOIS

Name of Company

Karen N. Moore, Sr. State Filing Specialist

Official - Title



**ACE American Insurance Company
Chiropractors Professional Liability
Filing/Actuarial Memorandum**

This is a new program underwritten under the Professional Liability line of business.

The filing is intended to introduce a new Chiropractors Professional Liability policy program. Coverage will be written on either an occurrence basis or a claims-made and reported basis, and will provide professional liability against those claims that are the result of wrongful acts committed by Chiropractors in the performance of Chiropractic professional services.

At the present time ACE American has a product that is filed and approved in 11 states. Since ACE American does not yet have sufficient experience to rely on internal results for the development of rates in this state, we have utilized our current rates in other states which were derived off of competitor filings and made some assumptions regarding territorial relativities. The companies that were used to accomplish this were the National Chiropractic Mutual Insurance Company (NCMIC) and National Union Fire Insurance Company (NUFIC). We will reflect ACE American Insurance Company experience in future rate changes as our book of business grows to a credible size.



ace usa

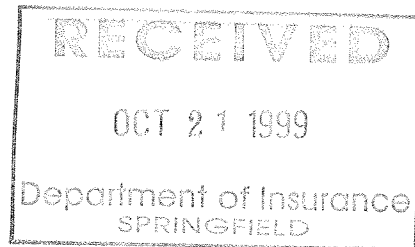
ACE USA
Filing & Regulation
Routing TL30F
1601 Chestnut Street
Philadelphia, PA 19192-2305
215.761.1282 tel/
215.761.5611 fax
karen.moore@ace-ina.com
www.ace-ina.com

Karen N. Moore
Senior State Filing Specialist

October 21, 1999

Attention: Rate/Rule Revision

Director of Insurance
320 W. Washington St.
Springfield, IL 62767



Re: CIGNA Insurance Company 95-2371728
CIGNA INSURANCE COMPANY OF ILLINOIS 36-2709121
Independent Filing – Professional Liability
Allied Health Professional and Supplemental Liability
Revision to Add Optometrists/Opticians to Eligible Classes
Our Filing Number 99-PR-227

STATE OF ILLINOIS
FILED

OCT 15 1999

SPRINGFIELD, ILLINOIS

Dear Commissioner:

Please accept this filing as a revision to our Program of Allied Health Professional and Supplemental Liability, written in CIGNA Insurance Company. The purpose of this filing revision is to add two professional liability classifications, Optometrists and Opticians, to our Allied Health Professional and Supplemental Liability rate plan. Pending approval, the revised Allied Health program will replace CIGNA's existing Optometrist/Optician Professional Liability filing.

We propose to incorporate our currently filed and approved optometrist/optician rates and increased limits factors into the Allied Health rate plan. While rates will remain the same, this revision will provide customers with the enhanced policy language and supplemental coverages that were introduced in the recent re-filing of CIGNA's Allied Health program. The Optometrists/Opticians Program was originally filed under Our Filing Number 95-PR-172, mailed on the date 5/22/95 and approved on or about 7/15/95. A listing of forms that will be replaced by this Allied Health revision is also enclosed.

The Allied Health manual enclosed has been revised to add Optometrists Rules and Rates on the following Pages: 1. Page AH-3, Rule B.2. Table II added for Optometrists/Opticians, and 2. Page AH-16, Table 2 added. State exception pages, if applicable, are also enclosed.

We wish to implement the use of this program for Optometrist/Opticians risks for all new business and renewal policies effective on and after December 15, 1999, or the earliest date your Department will allow. To that end, we seek your acknowledgment, and where required, approval.

Regards,

Karen N. Moore

11/3/99

The purpose of this filing revision is to add two professional liability classifications, Optometrists and Opticians, to our Allied Health Professional and Supplemental Liability rate plan. Pending approval, the revised Allied Health program will replace CIGNA's existing Optometrist/Optician Professional Liability filing.

We propose to incorporate our currently filed and approved optometrist/optician rates and increased limits factors into the Allied Health rate plan. While rates will remain the same, this revision will provide customers with the enhanced policy language and supplemental coverages that were introduced in the recent re-filing of CIGNA's Allied Health program. These included:

1. New coverages added to the basic policy:
 - a. Licensing Board Defense
 - b. Advertising Injury
 - c. Host Liquor Liability
 - d. Assault
 - e. Deposition Fees and Expenses
 - f. Good Samaritan
 - g. Non-Owned Automobile
2. Expanded limits of liability:
 - a. Medical Expenses \$100,000 Per Policy Term.
 - b. First Aid \$2,500.
 - c. Defendant's Reimbursement \$500 Per Day/\$10,000 Aggregate.
 - d. Damage to Property of Others \$500 Per Occurrence/\$5,000 Aggregate.
3. Rate modified to introduce differential between Employed Individual Allied Health professionals and Business Entity or Self-employed Allied Health professionals.
4. Deductible alternatives added for Entities with 6 or more employees.
5. New optional coverage endorsements:
 - a. Professional Liability Retroactive Coverage and Prior Acts rating factors to accommodate transition from Claims-Made to Occurrence form.
 - b. Leave of Absence with Automatic Reinstatement coverage.
6. Entity or Firm Discount.
7. Multi-year policy and discount offered as new option.

STATE OF ILLINOIS
FILED

DEC 15 1998

SPRINGFIELD, ILLINOIS

Under our Allied Health rate plan there is rate distinction between Employed Individuals and Self-employed Individuals or Entities. This differential is based upon our belief that employed Allied Health professionals have a markedly smaller loss exposure than self-employed professionals because under most situations their actions are either directed or mandated by their employer, or their employer bears partial responsibility for an incident. Self-employed professionals typically are more often autonomous and thus bear greater responsibility for any incident.

We have adopted employed to self-employed rate relativities of about 3.0 (varying by the specific class). This selection was based on analysis of competitor rates, analysis of employed Allied Health professional claims from our current book, and underwriting judgement on the increased exposure of a self-employed professional.

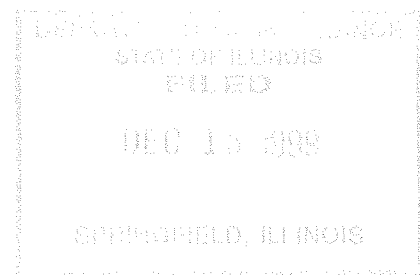
This differential will be a new feature with respect to the Optometrist and Optician classifications, however, we do not expect that it will result in any rate impact to existing or new insureds. For Optometrists, who typically are self-employed individuals or entities, we are using our current rate as the "Self-employed Rate" and dividing it by a factor of 3 to arrive at the "Employed Rate." For the Opticians, who typically are employees of Optometrists, we are using our current rate as the "Employed" rate level and multiplying it by a factor of 3 to arrive at the "Self-employed Rate."

It is our expectation that we will continue to see Optometrists predominantly being "Self-employed/Entities" and Opticians being "Employed," and that as a result there will be no change in rate levels for either classification.

The sections of the Allied Health General Rules that have been amended to reflect the additional two classifications and rates are as follows:

<u>Page</u>	<u>Section</u>	<u>Amendment</u>
AH-2	X. Eligibility – first paragraph	Reference to rate Table II added.
AH-3	XI. Limits of Liability, B.	Reference to rate Table II added; Optometrist/Optician ILF table added.
AH-12	XVI. Premium Calculation	Reference to Rate Table II added to A. Employed Individual, Steps 1 and 4.a.; B. Self-employed Individual, Steps 1. And 4.a.; and C. Entity, Steps 1. a. and 1. b.
AH-14	XVII. Rates	Rate Table II for Optometrists and Opticians added.

All other sections of the Allied Health Professional and Supplemental Liability General Rules remain unchanged. A copy of the amended rules and applicable state exception pages are attached. Also included is a listing of the Optometrist and Optician policy forms and endorsements that will be discontinued upon approval of this revision.



Optometrists Professional Liability - Forms to be Discontinued Upon Approval of Allied Health Revision Filing

PF-3W64 (5/95)	Optometrist/Optician Professional Liability Occurrence Policy
PF-5W13 (7/95)	Optometrist/Optician Professional Liability Occurrence Policy (Arizona only)
PF-7U51 (8/94)	Optometrist/Optician Professional Liability Occurrence Declarations
PF-9W86 (12/95)	Defense Amendatory Endorsement
CC-1K11a (5/96)	Signatures
PF-6U34 (8/94)	Prior Acts Coverage Schedule (except NH and NY)
PF-7U50 (8/94)	Leave of Absence/Disability
PF-3W57 (5/95)	Blanket Professional Liability Endorsement (Including Students, Graduate Students, Teaching Professionals and Faculty) (except NH, UT, VA)
PF-1W63 (5/95)	Additional Insured - Locum Tenens Endorsement
PF-1Z73 (3/96)	Separate Limit Endorsement - New York
PF-6W19 (9/95)	Prior Acts Coverage Schedule - New York
PF-1X59 (2/96)	Prior Acts Coverage Schedule - New Hampshire
PF-1X58 (2/96)	Blanket Professional Liability Endorsement - New Hampshire (Including Students, Graduate Students, Teaching Professionals and Faculty) (except NH, UT, VA)
PF-3W59 (5/95)	Declarations Amendment Endorsement
PF-3W58 (5/95)	Notice of Cancellation or Nonrenewal

For California Only

PF-2U20 (8/94)	Optometrist/Optician Professional Liability Occurrence Insurance Policy
PF-3W02 (4/95)	General Liability Coverage
PF-3X73 (6/96)	Optometrist/Optician Professional Liability Occurrence Insurance Declaration
PF-2W89 (4/95)	ERISA Fiduciary Liability Coverage Endorsement
PF-2W90 (4/95)	Restriction of Coverage Endorsement (Other Entities)
PF-1W91 (4/95)	Premises Restriction of Coverage Endorsement
PF-1W93 (4/95)	Other Business Exclusion Endorsement
PF-2W94 (4/95)	Building Owner Endorsement
PF-2W95 (4/95)	Additional Insured (Leased Premises) General Liability Endorsement
PF-2W96 (4/95)	Additional Insured (Leased Equipment) Endorsement
PF-2W97 (4/95)	Additional Insured (Loss Payee) Endorsement
PF-2W98 (4/95)	Additional Insured (State or Political Subdivision) Endorsement

Karen N. Moore
Senior State Filing Specialist
Filing & Regulation



**CIGNA Property
& Casualty**

September 1, 1999

Routing TL30F
1601 Chestnut Street
Philadelphia PA 19192-2305
Telephone 215.761.1282
Facsimile 215.761.5611
karen.moore@cigna.com

Attention: Supplemental Filing Correction

Director of Insurance
Illinois Department of Insurance
320 West Washington Street
Springfield, Illinois 62767

Re: CIGNA INSURANCE COMPANY OF ILLINOIS

36-2709121

Independent Filing - Professional Liability - Supplemental Filing Correction
New Program - Rates, Rules and Forms
Allied Health Professional and Supplemental Liability Program
Our Filing Number 99-PR-144 (Correction)

Dear Commissioner:

Our Filing dated May 27, 1999, presented a new Allied Health Professional and Supplemental Liability Program, which as of this date has been approved in 37 states and is pending in all others. Our proposed effective date was July 1, 1999.

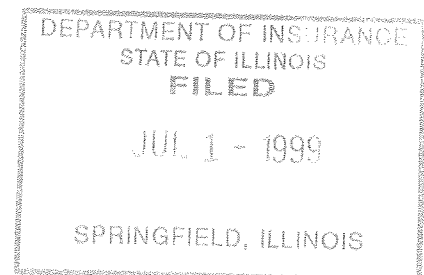
Enclosed is a corrected manual page AH-3, with a correction to the increased limits table in rule X. LIMITS OF LIABILITY, Table B. We inadvertently used a table that did not match our Rate Table at unity. In order to minimize confusion we have corrected the table to show unity at \$1,000,000 / \$6,000,000 (Basic Limits) using the same relativities as originally filed.

Please attach this to our previously submitted filing. Your acknowledgment of receipt of this corrected manual page will be appreciated.

Regards,

A handwritten signature in cursive script that reads "Karen N. Moore".

Karen N. Moore



Karen N. Moore
Senior State Filing Specialist
Filing & Regulation Department

RATE REVIEW

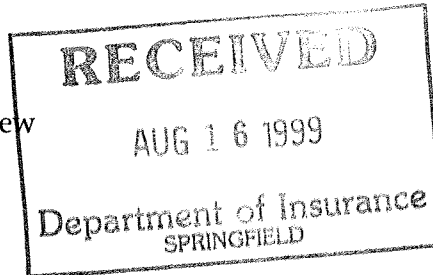


**CIGNA Property
& Casualty**

August 12, 1999

Attention Rate and Form Review

Honorable Mark Boozell
Director of Insurance
320 West Washington Street
Springfield, Illinois 62767



Routing Code TL30F
PO Box 7728
1601 Chestnut Street
Philadelphia, PA 19192
Telephone 215.761.1282
Facsimile 215.761.5611
karen.moore@cigna.com

ACE American
Re: CIGNA INSURANCE COMPANY

ACE
CIGNA INSURANCE COMPANY OF ILLINOIS

95-2371728

36-2709121

8/24/99
Independent Filing - Professional Liability
New Program - Rates, Rules and Forms
Allied Health Professional and Supplemental Liability Program
Our Filing Number 99-PR-144

Dear Commissioner:

Please accept this filing under our Professional Liability line of business. This filing introduces a new Allied Health Professional and Supplemental Liability coverage and rate plan. It will take the place of the existing CIGNA Allied Health Care Providers Professional and Supplemental Policy filing, filed under our filing number 93-PR-356, in 1993. This program is designed to provide both Professional Liability and Supplemental Liability under one policy on an Occurrence basis. Coverage is available under separate policy forms for Employed Individual Allied Health Professionals and Business Entity or Self-Employed Allied Health professionals.

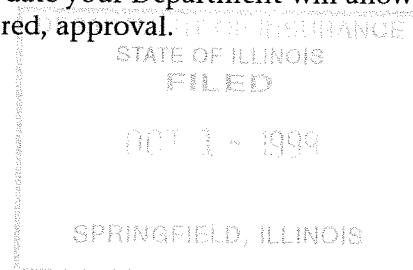
Because of favorable experience in this class of business we are proposing to make a number of product enhancements; however, we propose no overall rate change to accommodate the aforementioned coverage changes.

The proposed form and rate changes are described in more detail in the Allied Health Professional and Supplemental Liability Rate Plan Manual. We have also included a side-by-side comparison of coverages between our existing Allied Health Care Providers Professional and Supplemental Policy, PF-2454a (7/93), and our proposed Allied Health Professional and Supplemental Liability Policy - Business Entity or Self-Employed Individuals, PF-8Y41 (4/99).

We wish to implement the use of the new program for all new business and renewal policies effective on and after October 1, 1999, or the earliest date your Department will allow. To that end, we seek your acknowledgment, and where required, approval.

Regards,

Karen N. Moore



10. Revised aggregate Increased Limit Factors.

Rate Impact

The following comments provide our assessment of the impact on loss costs these coverage additions and enhancements will have:

1. Host Liquor Liability New Coverage

This risk has a minor exposure due to the class of insureds. Allied health professionals are cognizant of the perils of drinking and driving and as such are more likely to take all necessary and appropriate precautions.

Further, the incidence of alcohol related functions is relatively small.

2. Medical Expense Coverage Limits increased from \$1,000/\$50,000 to 2,000/\$100,000

The probability of any on-premises medical injury is extremely low given the small percentage of health professionals maintaining offices. Similarly, because of the low frequency of incidents arising from the course of professional service, the overall impact of the increase in the per occurrence limit from \$1,000 to \$2,000 should be quite small.

3. Fire Damage Legal Liability New Coverage

As mentioned for 2 above health professionals have few premises. Further this coverage operates over any other existing policy.

4. First Aid Coverage Increased limit from \$500 to \$2,500

This likewise is a low frequency event and coupled with the low limit the rate impact is negligible.

5. Assault Coverage New Coverage

We have little data on which to determine a price for this coverage, however, we believe it will be minimal.

6. Defendant's Reimbursement Increased limits to \$500 per day.

Exposure represents fairly low severity and coverage attaches to a low frequency event.

7. Deposition Fees and Expenses New Coverage

Exposure represents fairly low severity and coverage attaches to a low frequency event.

8. Damage to Property of Others Increased occurrence limit.

We also believe that this will be a low severity event.

9. New Classifications Patient Intake Technician, Surgical Technologist, Clinical Pathologist, Medical Records Technician, MRI Technician, Radiological Technician, Phlebotomist, Utilization Review Technician, Electrologist, CPR Trainers, Surgical Technologist First Assistant, Alexander Technique Therapist, Feldenkrais Practitioner, Reflexologist, Myotherapist, Traeger Practitioner, Hypnotherapist (non-entertainment), Certified Fitness Trainer, Athletic Trainers,

Message Therapist, Psychological Assistant, School Psychologist, Pharmacy Assistant, Pharmacist Technician, and Pharmacist.

These new classes are a further development of our current underwriting appetite in this area. The loss exposure in these new classes is similar to our present plan and their addition will not adversely impact our results. Rates were selected to be both consistent with our current rates and competitors rate plans. (See Exhibit A.)

10. Basic Limits Aggregate Basic limits aggregate increased from \$3,000,000 to \$6,000,000.

Based on an analysis of our Nurses Professional Liability results we found that our aggregate ILF charges are excessive. This is essentially caused by the very low frequency of these claims. It is highly improbable that an insured will have two claims in one policy period. The probability of three is essentially impossible. As a result we have revised our increased limit factors to reflect this, and increased the aggregate coverage available to an individual insured.

11. Self-employed Rates Introduced self-employed and business entity rate.

Employed Allied Health professionals have a markedly smaller loss exposure than self-employed professionals because under most situations their actions are either directed or mandated by their employer, or their employer bears partial responsibility for an incident. Self-employed professionals typically are more often autonomous and thus bear greater responsibility for any incident.

We have adopted employed to self-employed rate relativities of about 3.0 (varying by the specific class). This selection was based on analysis of competitor rates, analysis of employed Allied Health professional claims from our current book, and underwriting judgement on the increased exposure of an self-employed professional. Competitor relativities vary from 1.0 to 4.0.

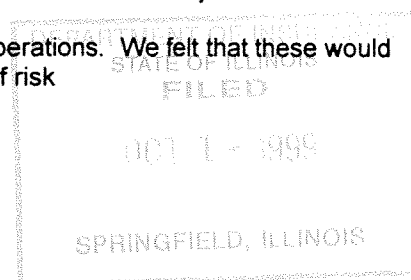
12. Deductible Added deductible options for entities with 6 or more employees.

This credit is comparable to those we offer for other professional liability classes of business (see table). Its purpose is primarily to encourage a reduction in claim frequency. As such, the primary justification for a rate discount comes from a reduction in ULAE based upon decreased claim volume as opposed to reduced loss costs.

Comparison of Insurance Agents Deductible Credits with Allied Health		
Deductible	Insurance Agents E&O	Allied Health (selected)
\$0	NA	1.000
\$1,000	1.00	NA
\$5,000	.950	0.950
\$10,000	.931	0.925
\$15,000	.912	0.900
\$20,000	.893	0.875
\$25,000	.875	0.850

13. General Liability ILF Factors Added General Liability increased limits factors in order to distinguish them from Professional Liability ILFs.

These ILFS are based on ISO published ILFs for Premises/Operations. We felt that these would be the most reflective of the exposure involved for this class of risk



14. Entity or Firm Size Discount Introduced discounts based upon size of organization.

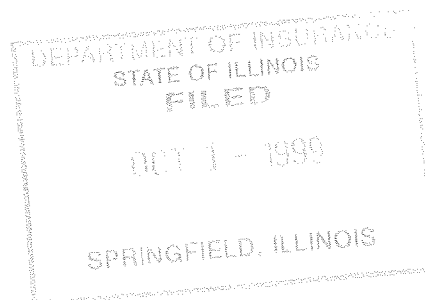
Limits of liability for business entities will be shared. Our proposed rates contemplate separate limits of liability. As the size of the firm increases, a graduated discount is warranted to reflect this discrepancy.

15. Multi-year Discount Option to purchase policies with terms of two and three years added.

Because of the relatively low premiums for these policies, underwriting and policy processing costs make up a substantial portion of premiums. In renewal years, these costs are largely eliminated; we propose to pass these savings on to our insureds in the form of decreased rates.

Based on the comments above, and the current profitability of CIGNA's Allied Health professional liability program, we propose no overall rate change to accommodate the aforementioned coverage changes.

The proposed form and rate changes are described in more detail in Allied Health Professional Liability Rate Plan Manual. We have also included a side-by-side comparison of coverages between our existing Allied Health Care Providers Professional and Supplemental Policy, PF-2454a (7/93), and our proposed Allied Health Professional and Supplemental Liability Policy – Business Entity or Self-employed Individuals, PF8Y41 (4/99).



Allied Health Professional and Supplemental Liability – Filing Memorandum

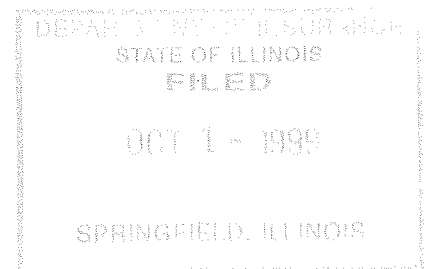
Summary

This filing is intended to introduce a new Allied Health Professional and Supplemental Liability coverage and rate plan. It will take the place of the existing CIGNA Allied Health Care Providers Professional and Supplemental Policy filing.

This program is designed to provide both Professional Liability and Supplemental Liability under one policy on an Occurrence basis. Coverage is available under separate policy forms for Employed Individual Allied Health professionals and Business Entity or Self-Employed Allied Health professionals.

Because of favorable experience in this class of business we are proposing to make a number of product enhancements, including:

1. New coverages added to the basic policy:
 - a. Licensing Board Defense
 - b. Advertising Injury
 - c. Host Liquor Liability
 - d. Assault
 - e. Deposition Fees and Expenses
 - f. Good Samaritan
 - g. Non-Owned Automobile
2. Refined policy language to combine common Professional and Supplemental liability provisions making our policy easier to read and understand.
3. Expanded limits of liability:
 - a. Additional Occurrence and Aggregate limits options up to \$10,000,000.
 - b. Medical Expenses increased to \$2,000 Per Person/\$100,000 Per Policy Term.
 - c. First Aid increased to \$2,500.
 - d. Defendant's Reimbursement increased to \$500 Per Day/\$10,000 Aggregate.
 - e. Damage to Property of Others increased to \$500 Per Occurrence/\$5,000 Aggregate.
4. Rate modified to introduce differential between Employed Individual Allied Health professionals and Business Entity or Self-employed Allied Health professionals.
5. Deductible alternatives added for Entities with 6 or more employees.
6. Expanded professional classifications and new hazard groupings (Category I through V, Pharmacists and Students).
7. New optional coverage endorsements:
 - a. Professional Liability Retroactive Coverage and Prior Acts rating factors to accommodate transition from Claims-Made to Occurrence form.
 - b. Leave of Absence with Automatic Reinstatement coverage.
 - c. Deductible for business entities with 6 or more employees.
8. Entity or Firm Discount added to rate plan.
9. Multi-year policy and discount offered as new option.

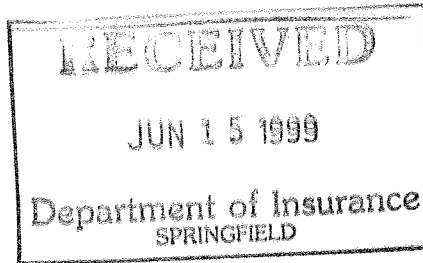


RATE REVIEW



**CIGNA Property
& Casualty**

May 27, 1999



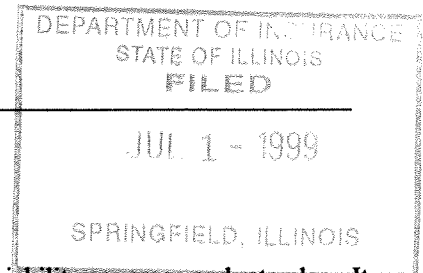
Routing Code TL30F
PO Box 7728
1601 Chestnut Street
Philadelphia, PA 19192
Telephone 215.761.1282
Facsimile 215.761.5611
karen.moore@cigna.com

Honorable Mark Boozell
Director of Insurance
320 West Washington Street
Springfield, Illinois 62767

Re: CIGNA INSURANCE COMPANY
✓ CIGNA INSURANCE COMPANY OF ILLINOIS

95-2371728
36-2709121

Independent Filing – Professional Liability
New Program – Rates, Rules and Forms
Allied Health Professional and Supplemental Liability Program
Our Filing Number 99-PR-144



Dear Commissioner:

Please accept this filing under our Professional Liability line of business.

This filing introduces a new Allied Health Professional and Supplemental Liability coverage and rate plan. It will take the place of the existing CIGNA Allied Health Care Providers Professional and Supplemental Policy filing, filed under our filing number 93-PR-356, in 1993. This program is designed to provide both Professional Liability and Supplemental Liability under one policy on an Occurrence basis. Coverage is available under separate policy forms for Employed Individual Allied Health Professionals and Business Entity or Self-Employed Allied Health professionals.

Because of favorable experience in this class of business we are proposing to make a number of product enhancements; however, we propose no overall rate change to accommodate the aforementioned coverage changes.

The proposed form and rate changes are described in more detail in the Allied Health Professional and Supplemental Liability Rate Plan Manual. We have also included a side-by-side comparison of coverages between our existing Allied Health Care Providers Professional and Supplemental Policy, PF-2454a (7/93), and our proposed Allied Health Professional and Supplemental Liability Policy – Business Entity or Self-Employed Individuals, PF-8Y41 (4/99).

May 24, 1999
Page 2

We wish to implement the use of the new program for all new business and renewal policies effective on and after July 1, 1999, or the earliest date your Department will allow. To that end, we seek your acknowledgment, and where required, approval.

Regards,

A handwritten signature in cursive script, appearing to read "Karen N. Moore". The signature is written in dark ink and is positioned above the printed name.

Karen N. Moore

KNM:mt

Allied Health Professional and Supplemental Liability – Filing Memorandum

Summary

This filing is intended to introduce a new Allied Health Professional and Supplemental Liability coverage and rate plan. It will take the place of the existing CIGNA Allied Health Care Providers Professional and Supplemental Policy filing.

This program is designed to provide both Professional Liability and Supplemental Liability under one policy on an Occurrence basis. Coverage is available under separate policy forms for Employed Individual Allied Health professionals and Business Entity or Self-Employed Allied Health professionals.

Because of favorable experience in this class of business we are proposing to make a number of product enhancements, including:

1. New coverages added to the basic policy:
 - a. Licensing Board Defense
 - b. Advertising Injury
 - c. Host Liquor Liability
 - d. Assault
 - e. Deposition Fees and Expenses
 - f. Good Samaritan
 - g. Non-Owned Automobile
2. Refined policy language to combine common Professional and Supplemental liability provisions making our policy easier to read and understand.
3. Expanded limits of liability:
 - a. Additional Occurrence and Aggregate limits options up to \$10,000,000.
 - b. Medical Expenses increased to \$2,000 Per Person/\$100,000 Per Policy Term.
 - c. First Aid increased to \$2,500.
 - d. Defendant's Reimbursement increased to \$500 Per Day/\$10,000 Aggregate.
 - e. Damage to Property of Others increased to \$500 Per Occurrence/\$5,000 Aggregate.
4. Rate modified to introduce differential between Employed Individual Allied Health professionals and Business Entity or Self-employed Allied Health professionals.
5. Deductible alternatives added for Entities with 6 or more employees.
6. Expanded professional classifications and new hazard groupings (Category I through V, Pharmacists and Students).
7. New optional coverage endorsements:
 - a. Professional Liability Retroactive Coverage and Prior Acts rating factors to accommodate transition from Claims-Made to Occurrence form.
 - b. Leave of Absence with Automatic Reinstatement coverage.
 - c. Deductible for business entities with 6 or more employees.
8. Entity or Firm Discount added to rate plan.
9. Multi-year policy and discount offered as new option.

Rate Impact

1. Host Liquor Liability	New Coverage
--------------------------	--------------

Further, the incidence of alcohol related functions is relatively small.

- | | |
|-----------------------------|---|
| 2. Medical Expense Coverage | Limits increased from \$1,000/\$50,000 to 2,000/\$100,000 |
|-----------------------------|---|

3.	Fire Damage Legal Liability	New Coverage
----	-----------------------------	--------------

4. First Aid Coverage	Increased limit from \$500 to \$2,500
-----------------------	---------------------------------------

5. Assault Coverage	New Coverage
---------------------	--------------

6. Defendant's Reimbursement Increased limits to \$500 per day.

7. Deposition Fees and Expenses	New Coverage
--	---------------------

8. **Damage to Property of Others** Increased occurrence limit.

9. **New Classifications** Patient Intake Technician, Surgical Technologist, Clinical Pathologist, Medical Records Technician, MRI Technician, Radiological Technician, Phlebotomist, Utilization Review Technician, Electrologist, CPR Trainers, Surgical Technologist First Assistant, Alexander Technique Therapist, Feldenkrais Practitioner, Reflexologist, Myotherapist, Traeger Practitioner, Hypnotherapist (non-entertainment), Certified Fitness Trainer, Athletic Trainers.

Message Therapist, Psychological Assistant, School Psychologist, Pharmacy Assistant, Pharmacy Technician, and Pharmacist.

These new classes are a further development of our current underwriting appetite in this area. The loss exposure in these new classes is similar to our present plan and their addition will not adversely impact our results. Rates were selected to be both consistent with our current rates and competitors rate plans. (See Exhibit A.)

10. Basic Limits Aggregate Basic limits aggregate increased from \$3,000,000 to \$6,000,000.

Based on an analysis of our Nurses Professional Liability results we found that our aggregate ILF charges are excessive. This is essentially caused by the very low frequency of these claims. It is highly improbable that an insured will have two claims in one policy period. The probability of three is essentially impossible. As a result we have revised our increased limit factors to reflect this, and increased the aggregate coverage available to an individual insured.

11. Self-employed Rates Introduced self-employed and business entity rate.

Employed Allied Health professionals have a markedly smaller loss exposure than self-employed professionals because under most situations their actions are either directed or mandated by their employer, or their employer bears partial responsibility for an incident. Self-employed professionals typically are more often autonomous and thus bear greater responsibility for any incident.

We have adopted employed to self-employed rate relativities of about 3.0 (varying by the specific class). This selection was based on analysis of competitor rates, analysis of employed Allied Health professional claims from our current book, and underwriting judgement on the increased exposure of an self-employed professional. Competitor relativities vary from 1.0 to 4.0.

12. Deductible Added deductible options for entities with 6 or more employees.

This credit is comparable to those we offer for other professional liability classes of business (see table). Its purpose is primarily to encourage a reduction in claim frequency. As such, the primary justification for a rate discount comes from a reduction in ULAE based upon decreased claim volume as opposed to reduced loss costs.

Comparison of Insurance Agents Deductible Credits with Allied Health		
Deductible	Insurance Agents E&O	Allied Health (selected)
\$0	NA	1.000
\$1,000	1.00	NA
\$5,000	.950	0.950
\$10,000	.931	0.925
\$15,000	.912	0.900
\$20,000	.893	0.875
\$25,000	.875	0.850

13. General Liability ILF Factors Added General Liability increased limits factors in order to distinguish them from Professional Liability ILFs.

These ILFs are based on ISO published ILFs for Premises/Operations. We felt that these would be the most reflective of the exposure involved for this class of risk

14. Entity or Firm Size Discount Introduced discounts based upon size of organization.

Limits of liability for business entities will be shared. Our proposed rates contemplate separate limits of liability. As the size of the firm increases, a graduated discount is warranted to reflect this discrepancy.

15. Multi-year Discount Option to purchase policies with terms of two and three years added.

Because of the relatively low premiums for these policies, underwriting and policy processing costs make up a substantial portion of premiums. In renewal years, these costs are largely eliminated; we propose to pass these savings on to our insureds in the form of decreased rates.

Based on the comments above, and the current profitability of CIGNA's Allied Health professional liability program, we propose no overall rate change to accommodate the aforementioned coverage changes.

The proposed form and rate changes are described in more detail in Allied Health Professional Liability Rate Plan Manual. We have also included a side-by-side comparison of coverages between our existing Allied Health Care Providers Professional and Supplemental Policy, PF-2454a (7/93), and our proposed Allied Health Professional and Supplemental Liability Policy – Business Entity or Self-employed Individuals, PF8Y41 (4/99).

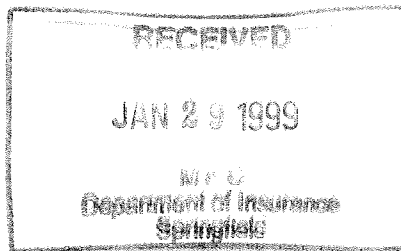
RATE REVIEW



**CIGNA Property
& Casualty**

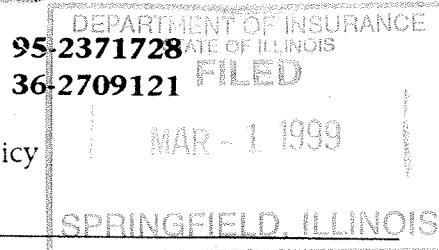
January 14, 1999

Director of Insurance
State of Illinois
320 W. Washington St.
Springfield, IL 62767



Routing TL30F
1601 Chestnut Street
Philadelphia PA 19192-2305
Telephone 215.761.1282
Facsimile 215.761.5611
karen.moore@cigna.com

Re: CIGNA INSURANCE COMPANY
CIGNA INSURANCE COMPANY OF ILLINOIS
Independent Filing - Professional Liability
Nurses Professional and Supplemental Liability Policy
Rates, Rules and Forms
Our Filing Number 99-PR-004



Dear Commissioner:

Please accept this filing as a new program written under our Professional Liability line of business.

This filing is intended to introduce a new Nurses Professional and Supplemental Liability coverage and rate plan. It will take the place of the nurses portion of the existing CIGNA Allied Health Care Providers Professional and Supplemental Policy filing filed via our filing number 93-PR-356 in 1993, and will also replace the Nurses Professional Liability Program filed under our filing number 91-PR-241 in 1991 used by "National Health Care Professionals Purchasing Group, Inc.", a risk purchasing group domiciled in Lakewood, NJ. The filing for the RPG was originally filed in CIGNA Fire Underwriters Insurance Company in 1991, but the RPG has amended its registration to include CIGNA Insurance Company.

This program is designed to provide both Professional Liability and Supplemental Liability under one policy on an Occurrence basis. Coverage is available under separate policy forms for Employed Individual nurses and Business Entity or Self-Employed Individual nurses.

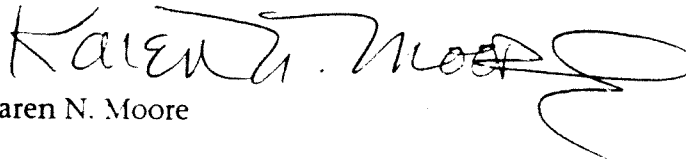
Because of our favorable experience in this class of business we are proposing to make a number of product enhancements, all of which are detailed in the enclosed filing memorandum. The enhancements include both rule and optional coverage endorsement enhancements, all of which are detailed in the enclosed materials. The forms portion of this filing contains a side-by-side comparison of coverages between our existing Allied Health Care Providers Professional and Supplemental Policy, PF-2454a (7/93), and our proposed Nurses Professional and Supplemental Liability Policy - Business Entity or self-employed Individuals, PF-5Y90 (10/98).

1/29/99

We are proposing no rate change to the existing base rates. The charges for the newly offered endorsements, deductibles, etc., are detailed in the enclosed filing memorandum.

We wish to offer this enhanced product to all new business and renewal insureds effective on and after March 1, 1999, or the earliest date your Department will allow. To that end we seek your acknowledgment, and where required, approval.

Regards,

A handwritten signature in black ink, appearing to read "Karen N. Moore". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Karen N. Moore

ILLINOIS DEPARTMENT OF INSURANCE

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 3/1/1999 (new) 3/1/1999 (ren)

(1) <u>Coverage</u>		(2) <u>Annual Premium Volume (Illinois)*</u>	(3) <u>Percent Change (+ or -)**</u>
1.	Automobile Liability Private		
	Passenger Commercial		
2.	Automobile Physical Damage		
	Private Passenger Commercial		
3.	Liability Other Than Auto		
4.	Burglary and Theft		
5.	Glass		
6.	Fidelity		
7.	Surety		
8.	Boiler and Machinery		
9.	Fire		
10.	Extended Coverage		
11.	Inland Marine		
12.	Homeowners		
13.	Commercial Multi-Peril		
14.	Crop Hail		
15.	Other	52,217	
Line of Insurance			

Does filing only apply to certain territory (territories) or certain classes? If so, specify: _____

NURSES CLASSIFICATIONS

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):

NURSES PROFESSIONAL LIAB. PROG. RATES, RULES, FORMS

*Adjusted to reflect all prior rate changes.

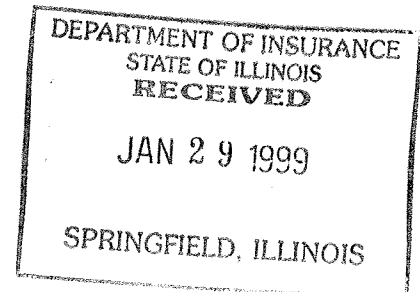
**Change in Company's premium level which will result from application of new rates.

CIGNA INSURANCE COMPANY OF ILLINOIS

Name of Company

Karen N. Moore, Sr. State Filing Specialist

Official - Title



Rate Impact

The following comments provide our assessment of the impact on loss costs these coverage additions and enhancements will have:

1. Host Liquor Liability New Coverage

This risk has a minor exposure due to the class of insureds. Nurses and other health professionals are well cognizant of the perils of drinking and driving and as such are more likely to take all necessary and appropriate precautions.

Further, the incidence of alcohol related functions is relatively small.

2. Medical Expense Coverage Limits increased from \$1,000/\$50,000 to 2,000/\$100,000

The probability of any on-premises medical injury is extremely low given the small percentage of nurse/health professionals maintaining offices. Similarly, because of the low frequency of incidents arising from the course of professional service, the overall impact of the increase in the per occurrence limit from \$1,000 to \$2,000 should be quite small.

3. Fire Damage Legal Liability New Coverage

As mentioned for 2 above, nurses/health professionals have few premises. Further this coverage operates over any other existing policy.

4. First Aid Coverage Increased limit from \$500 to \$2,500

This likewise is a low frequency event and coupled with the low limit the rate impact is negligible.

5. Assault Coverage New Coverage

We have little data on which to determine a price for this coverage, however, we believe it will be minimal.

6. Defendant's Reimbursement Increased limits to \$500 per day.

Exposure represents fairly low severity and coverage attaches to a low frequency event.

7. Deposition Fees and Expenses New Coverage

Exposure represents fairly low severity and coverage attaches to a low frequency event.

8. Damage to Property of Others Increased occurrence limit.

We also believe that this will be a low severity event.

9. Nurse Classifications Added Critical Care/ER-OR including RN 1st Assistant, Post Anesthesia and Recovery, Organ Harvest and Transplant.

These are new classes of business that we believe will not have a rate level impact on our current book of business. Rates were selected based on underwriting judgement and competitor rate levels.

10. Nurse Practitioner Classifications Added Nurse Practitioner – Industrial or School and Pediatric.

These are new classes of business that we believe will not have a rate level impact on our current book of business. Rates were selected based on underwriting judgement and competitor rate levels.

11. Basic Limits Aggregate Basic limits aggregate increased from \$3,000,000 to \$6,000,000.

Our experience indicates an extremely low frequency of incidents for this class of business. Consequently, the probability of exceeding the existing three million aggregate is very low. With a per occurrence limit of 1,000,000 it would require three separate incidents each in excess of 1,000,000. Based upon this assessment we propose to raise the aggregate limit with no additional increase in premium.

12. Self-employed Rates Introduced self-employed and business entity rate.

To establish a self-employed and business entity rate we applied a rate relativity of 3.0 to the employed individual rates. This reflects that fact that self-employed nurses or entities are not covered by other insurance (employed nurses are typically covered under their employers coverage.)

13. Deductible Added deductible options for entities with 6 or more employees.

This credit is comparable to those we offer for other professional liability classes of business (see table). Its purpose is primarily to encourage a reduction in claim frequency. As such, the primary justification for a rate discount comes from a reduction in ULAE based upon decreased claim volume as opposed to reduced loss costs.

Comparison of Insurance Agents Deductible Credits with Nurses		
Deductible	Insurance Agents E&O	Nurses (selected)
\$0	NA	1.000
\$1,000	1.00	NA
\$5,000	.950	0.950
\$10,000	.931	0.925
\$15,000	.912	0.900
\$20,000	.893	0.875
\$25,000	.875	0.850

14. General Liability ILF Factors Added General Liability increased limits factors in order to distinguish them from Professional Liability ILFs.

These ILFS are based on ISO published ILFs for Premises/Operations. We felt that these would be the most reflective of the exposure involved for this class of risk

15. Entity or Firm Size Discount Introduced discounts based upon size of organization.

Limits of liability for business entities will be shared. Our proposed rates contemplate separate limits of liability. As the size of the firm increases, a graduated discount is warranted to reflect this discrepancy.

17. Multi-year Discount Option to purchase policies with terms of two and three years added.

Because of the relatively low premiums for these policies, underwriting and policy processing costs make up a substantial portion of premiums. In renewal years, these costs are largely eliminated; we propose to pass these savings on to our insureds in the form of decreased rates.

Based on the comments above, and the current profitability of CIGNA's nurses professional liability program, we propose no overall rate change to accommodate the aforementioned coverage changes.

The proposed form and rate changes are described in more detail in Nurses Professional Liability Rate Plan Manual. We have also included a side-by-side comparison of coverages between our existing Allied Health Care Providers Professional and Supplemental Policy, PF-2454a (7/93), and our proposed Nurses Professional and Supplemental Liability Policy – Business Entity or self-employed Individuals, PF5Y90 (10/98).

Nurses Professional Liability – Coverage Comparison

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
Coverage Agreements			
Professional Liability	<p>We will pay all amounts up to the limit of liability, which you become legally obligated to pay as a result of the injury or damage to which this insurance applies. The injury or damages must be caused by a medical incident arising out of professional services by you or anyone for whose professional services you are legally responsible.</p> <p>The medical incident as described above must happen on or after the effective date and before the end of the policy term stated on the Declarations of this policy.</p>	<p>Subject to the limits for Professional Liability stated in the Declarations or Certificate of Insurance, we will pay on your behalf all amounts which you become legally obligated to pay as damages as a result of injury to which this insurance applies. The injury must be caused by a professional incident arising out of professional services rendered by you or by anyone for whose professional services you are legally responsible.</p>	<p>"Professional incident" replaces the "medical incident" terminology. Term aligns better with "professional services" and is distinct in terms of competitor forms.</p> <p>Date of loss provision has been combined and moved to policy introduction.</p>
Licensing Board Defense	Not available.	<p>We will provide Licensing Board Defense coverage for you if you become subject to a civil investigation and/or formal disciplinary action by a professional licensing board. Such civil investigation or disciplinary action must be the outcome of injury resulting from a professional incident covered by this policy. We will pay up to \$5,000 of the fees, costs, and expenses of such defense for each civil investigation, and up to \$10,000 in any single policy term.</p> <p>You must provide us with written notice of any such investigation or disciplinary action:</p> <ol style="list-style-type: none"> Within the policy term; and Within 30 days after you have received notice of civil investigation or disciplinary action by a professional licensing board. 	New coverage enhancement.
Supplemental Liability	<p>SUPPLEMENTAL LIABILITY</p> <p>We will pay all amounts up to the limits of liability which you become legally obligated to pay as a result of injury or damage. The injury or damage must occur in the course of providing your professional services</p> <p>The injury or damage as described above, must happen on or after the effective date, and before the end of the policy term, stated on the Declarations of this policy.</p>	<p>General Liability</p> <p>Subject to the limits for Supplemental Liability stated in the Declarations or Certificate of Insurance, we will pay on your behalf all amounts which you become legally obligated to pay as damages as a result of bodily injury or property damage to which this insurance applies caused by an occurrence in the operation of your business or performance of your professional services.</p>	<p>"injury" or "damage" replaced with bodily injury and property damage.</p> <p>Date of loss provision has been combined and moved to policy introduction.</p>

MAR 1 1999

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	The injury or damage must occur to the person or persons receiving your professional services.		Removed - BI or PD must be caused by occurrence in the operation of business or performance of professional services.
	<p>PERSONAL INJURY COVERAGE</p> <p>In return for your payment of the premium, it is agreed that the definition of injury, as respects only your professional services, shall also include:</p> <ul style="list-style-type: none"> A. testimony given at or arising out of inquests; B. malicious prosecution; C. false arrest, detention, imprisonment; D. wrongful entry or eviction or other invasion of the right of private occupancy; E. libel, slander or other disparaging materials; F. a violation of an individual's right to privacy; G. assault, battery, mental anguish, mental shock or hallucination; <p>All other provisions of this policy remain unchanged.</p>	<p>Personal and Advertising Injury Liability</p> <p>Subject to the limits for Supplemental Liability stated in the Declarations or Certificates of Insurance, we will pay on your behalf all amounts that you become legally obligated to pay as damages as a result of personal and advertising injury to which this insurance applies.</p> <p>This insurance applies to personal and advertising injury caused by an offense arising out of your business but only if the offense was committed in the policy territory during the policy term.</p>	<p>Personal Injury coverage expanded.</p> <p>Advertising injury added to policy.</p> <p>Personal and advertising injury combined in one definition.</p>
	Not available.	Host Liquor Liability	Added coverage.
		<p>Subject to the Limits for Supplemental Liability stated in the Declarations, or Certificate of Insurance, we will pay on your behalf all amounts which you become legally obligated to pay as damages because of bodily injury or property damage arising out of the giving or serving of alcoholic beverages at functions incidental to your business, providing you are not engaged in the business of manufacturing, distributing, selling or serving of alcoholic beverages.</p> <p>This coverage will not apply to liability imposed because of a violation of a statute, ordinance or regulation pertaining to the manufacturing, sale, gift, distribution or use of any alcoholic beverage including the selling, serving or giving of any alcoholic beverage to a minor.</p>	
	Not available.	Fire Damage Legal Liability	Added coverage.

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
		<p>Subject to the Limits designated for Supplemental Liability stated in the Declarations, or Certificate of Insurance, we will pay up to \$50,000 for property damage to structures or portions thereof rented or leased by you, including fixtures permanently attached thereto, if such property damage arises out of fire; discharge, leakage or overflow of water or steam from a plumbing, heating, refrigeration or air conditioning system; or rain which enters directly into the building through open doors, windows, skylights, transoms, or ventilators. This insurance is excess over any collectible property insurance specifically written as primary insurance providing property damage coverage to you, including any deductible portion of that insurance, and does not include personal property.</p> <p>You must be legally liable under common law (not contractually liable) for the fire damage in order for this coverage to apply. The fire damage must involve structures in which your professional services have been provided.</p>	
<p>We will pay all amounts for necessary medical expenses incurred or medically ascertained within three years from the date of an accident causing the injury. The injury must be to a person:</p> <ol style="list-style-type: none"> 1. At your insured location with your permission; or 2. off the insured location if the injury: <ol style="list-style-type: none"> a. arises out of a condition in the insured location or immediately adjoining approaches; and b. occurs in the course of providing your professional services. 3. We will pay for injury and damages caused by a residence employee working for you, but only in the course of providing professional services to others at your 	<p>Medical Expense Coverage</p> <p>We will pay, regardless of fault, for necessary medical expenses incurred within a three (3) year period from the date of an accident:</p> <ol style="list-style-type: none"> 1. Arising out of a condition on your premises or immediately adjoining approaches; or 2. Arising from the course of your providing professional services. <p>The most we will pay for medical expenses is \$2,000 Per Person subject to \$100,000 Aggregate in any single policy term.</p> <p>This coverage is provided on condition that the injured person or someone on their behalf shall give us written proof of claim for medical expenses, under oath if required. If we request, the injured person shall execute authorization to enable us to obtain medical reports and copies of records. The injured person will also submit to</p>	<p>Removed "at your location with your permission" provision as unnecessary and potentially confusing.</p> <p>Coverage increased from \$1,000 F Person and \$50,000 in single policy term to \$2,000/\$100,000.</p> <p>Added conditions on injured person obligations with respect to verification and documentation of injury.</p> <p>Removed "residence employee" as unnecessary; employees are defined as</p>	

MAR 11 1999

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	direction.	<p>physical examinations by physicians selected by us. The examinations will be made when, and as often as we may reasonably require. We may pay the injured person or organization rendering the services, however, payment will not imply an admission of liability. Each payment will reduce the amount payable for such bodily injury if liability is later established.</p> <p>We will not pay under this extension of coverage for bodily injury:</p> <ol style="list-style-type: none"> 1. Resulting from operations performed for you by independent contractors except for maintenance and repair of your premises or structural alterations at your premises that do not change the size or involve the moving of buildings or other structures. 2. To any person while engaged in maintenance and repair, alteration, demolition or new construction at your premises. 3. To any person included within the definition of insured. 4. To any tenant if bodily injury occurs on that part of the premises rented from you. 5. To your employees or the employees of the tenants or residents of your premises if the bodily injury arises out of and in the course of employment. 6. Resulting from selling, serving or giving any alcoholic beverages, unless the bodily injury occurs on your premises. 7. To any person practicing, instructing or participating in any physical training, sports, athletic activity or contest whether on a formal or informal basis. 8. Arising out of any medical, surgical, dental, X-ray, or other health service or treatment performed by you, including the dispensing of drugs, medical, dental, or surgical 	<p>insureds.</p> <p>Added exclusions specific to medical expense coverage.</p>

MAR 11 - 1998

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
		supplies.	
	Additional Payments		
	The Company will pay, in addition to the applicable limits of liability:		
First Aid	1. First Aid Coverage We will pay all expenses you incur, up to \$500, for first aid to others as a result of injury covered by this policy. The first aid must be given within 48 hours immediately after the injury. We will not pay for first aid to any person defined as you.	1. First Aid Coverage As stated in the Declarations, or Certificate of Insurance , we will pay up to \$2,500 for amounts which you voluntarily pay or incur for first aid rendered to others as a result of bodily injury covered by this policy. The first aid must be provided within a 48-hour period after the bodily injury occurs. This provision does not apply to payments or first aid rendered to any person defined as an insured in this policy. The total amounts payable under first aid coverage shall not exceed \$2,500 for all first aid rendered during the policy term .	Increased limit of liability from \$500 to \$2,500.
Not available.	2. Assault Coverage As stated in the Declarations, or Certificate of Insurance , we will pay for expenses you incur, up to \$5,000 for bodily injury to you or property damage to your personal property, other than your mode of transportation, resulting from an assault on you at your premises, or while traveling to and from your premises. This coverage is excess over any other available insurance (yours or your employer's) specifically written as primary insurance covering such bodily injury or property damage . This coverage does not apply to property damage to any business or personal property owned, leased or rented by any other person or business enterprise while in your possession. The total amounts payable under assault coverage shall not exceed \$5,000 for all assaults that occur during the policy term .	2. Assault Coverage As stated in the Declarations, or Certificate of Insurance , we will pay for expenses you incur, up to \$5,000 for bodily injury to you or property damage to your personal property, other than your mode of transportation, resulting from an assault on you at your premises, or while traveling to and from your premises. This coverage is excess over any other available insurance (yours or your employer's) specifically written as primary insurance covering such bodily injury or property damage . This coverage does not apply to property damage to any business or personal property owned, leased or rented by any other person or business enterprise while in your possession. The total amounts payable under assault coverage shall not exceed \$5,000 for all assaults that occur during the policy term .	Added coverage.

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>PL - We will pay expenses you incur, including loss of time, as a result of being a defendant or co-defendant in a civil suit. These amounts must result from your being required to attend a trial of the suit or arbitration proceedings. The suit or proceedings must be caused by injury or damage covered by this policy.</p> <p>The maximum we will pay for these expenses, resulting from any one or more trials arising out of the same alleged causes of action, is \$250 per day, up to a total of \$5,000, regardless of the number of days you are required to attend such proceedings. These amounts are in addition to policy limits.</p> <p>GL – Defendant's Reimbursement</p> <p>We will pay expenses you incur, including loss of time, as a result of being a defendant or co-defendant in a civil suit. These amounts must result from your being required to attend a trial or suit or arbitration proceedings. The suit or proceedings must be caused by an injury covered by this policy, which happened during this policy term. The maximum we will pay for these expenses resulting from any one or more trials arising out of the same alleged causes of action is \$250 per day, up to a total of \$5,000, regardless of the number of days you are required to attend such proceedings. These amounts are in addition to policy limits.</p> <p>Not available.</p>	<p>3. Defendant's Reimbursement</p> <p>We will pay expenses you incur, including loss of time, as a result of being a defendant or co-defendant in a civil suit seeking damages for bodily injury or property damage to which this insurance applies. These amounts must result from your attending a trial, suit or arbitration proceeding at our request. The maximum we will pay for these expenses resulting from any one or more trials, hearings or proceedings arising out of the same alleged causes of action is \$500 per day, up to a total of \$10,000 per professional incident or occurrence.</p> <p>4. Deposition Fees and Expenses</p> <p>We will pay up to \$5,000 for all reasonable fees and expenses necessary to represent you at depositions that you are required to attend, arising out of the operation of your business or performance of your professional services. First notice of your required attendance must be received by you during the policy term. This payment does not apply to any deposition where you are acting as a paid expert.</p>	<p>Combined separate Professional and General Liability provisions into one.</p> <p>Increased limit of liability from \$250 per day/\$5,000 aggregate to \$500 per day/\$10,000 aggregate.</p> <p>Added coverage.</p>

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>GL – Damage to Property of Others</p> <p>We pay up to \$250 in any one occurrence for property damage to property of others caused by you.</p> <p>Under this coverage we will not pay for property damage to property of others:</p> <ol style="list-style-type: none"> caused intentionally by anyone defined as you who has reached the age of majority in your State; who are tenants of, or residents in, your household; or arising out of: <ol style="list-style-type: none"> non-professional services activities. the owning, using, taking care of, or entrustment to others of an auto, mobile equipment, boat or aircraft. 	<p>5. Damage to Property of Others</p> <p>We pay up to \$500 in any one occurrence, and up to \$5,000 in any single policy term, for property damage to property of others caused by you. You do not need to be legally liable for this payment.</p> <p>Under this coverage we will not pay for damage to property of others:</p> <ol style="list-style-type: none"> caused intentionally by anyone defined as you who has reached the age of majority in your State; who are tenants of, or residents in, your premises; or arising out of: <ol style="list-style-type: none"> non-professional services activities. the owning, using, taking care of, or entrustment to others of an auto, mobile equipment, boat or aircraft. 	<p>Increased occurrence limit and added aggregate limit. Limits up from \$250 Per Occurrence to \$500 Per Occurrence and \$5,000 in single policy term.</p>
Exclusions	<p>PL - We will not defend or pay, under this policy for:</p> <p>GL – We will not defend or pay any claim under this Coverage Part, for any:</p> <p>PL - (Injury or damage:) resulting from a medical incident which is also a willful violation of a statute, ordinance or regulation imposing criminal penalties;</p> <p>PL - (Injury or damage:) which was expected or intended from your standpoint. This exclusion does not apply to injury resulting from reasonable force to protect persons or property;</p> <p>GL – (Injury or damage:) which you expected or intended. This exclusion does not apply to injury resulting from the use of reasonable force to protect persons or property;</p>	<p>We will not defend or pay, under this policy, for injury or property damage:</p> <ol style="list-style-type: none"> Arising out of any dishonest, fraudulent, criminal or malicious act or omission of any insured. This exclusion does not apply to any insured that is not so adjudged. Which was expected or intended from your standpoint. This exclusion does not apply to situations where reasonable force is used to protect persons or property. Claims or suits brought by or on behalf of any insured under this policy against any other insured under this policy. This exclusion does not apply if such claim or 	<p>Combined Professional and General Liability exclusions.</p> <p>Combined PL and GL exclusions.</p> <p>Added insured vs. insured exclusion.</p>

MAR 11 - 1999

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>PL – (injury to:)</p> <ol style="list-style-type: none"> 1. an employee of yours arising out of and in the course of employment by you; or 2. the spouse, child, parent, brother or sister of that employee as a consequence of 1. above. <p>This exclusion does not apply to a claim resulting from immediate medical or surgical care given to an employee after the injury; and/or to a medical incident arising from your professional services to an employee;</p> <p>GL – (Injury or damage:) injury to any of your employees arising out of:</p> <ol style="list-style-type: none"> 1. any premises owned or rented to you which is not an insured location; or 2. their employment by you. <p>This exclusion does not apply to:</p> <ol style="list-style-type: none"> a. a claim resulting from immediate care given to an employee after the injury. <p>PL - (Injury or damage:) any obligation you have under a workers' compensation, disability benefits or unemployment compensation law or any similar law;</p>	<p>suit results from services rendered in a patient or client relationship.</p> <p>D. Claims or suits brought by or on behalf of any person employed by you, any person who had been employed by you or any person seeking employment with you alleging any act or omission by any insured with respect to the hiring, termination, compensation, or the tenure, term, condition, benefits or privilege of employment of any such person.</p> <p>E. To:</p> <ol style="list-style-type: none"> 1. Your employee arising out of and in the course of: <ol style="list-style-type: none"> a. Employment by you; or b. Performing duties related to the conduct of your business; or 2. The spouse, child, parent, brother or sister of that employee as a consequence of paragraph (1) above. <p>This exclusion applies:</p> <ol style="list-style-type: none"> 1. Whether the insured may be liable as an employer or in any other capacity; and 2. To any obligation to share damages with or repay someone else who must pay damages because of the injury. <p>This exclusion does not apply to a claim resulting from immediate medical or surgical care given to an employee after the injury, and/or to a medical incident arising from your professional services to an employee.</p> <p>F. For any obligation you have under a Workers' Compensation, Disability Benefits or Unemployment Compensation law or any similar law, including the Migrant and</p>	<p>Added employment practices exclusion.</p> <p>Combined PL and GL exclusions.</p> <p>Combined PL and GL exclusions.</p>

Element	Existing – PF 2454a (7/93)	Proposed – PF 5Y90 (10/98)	Comment
	<p>GL – (Injury or damage:) amounts which you or any party must pay under any unemployment or workers' compensation, disability benefits, or other similar law.</p> <p>PL – (any liability:) you assume under any contract or agreement. This exclusion does not apply to a warranty of fitness or quality of any therapeutic agents or supplies you have furnished or supplied in connection with treatment you have performed; or to liability for injury or damage that you would have in the absence of an employment contract or agreement;</p> <p>GL – (Injury or damage:) liability you assume under any contract or agreement.</p> <p>PL – (Injury or damage:) arising out of the ownership, maintenance, use or entrustment to others of any aircraft, auto, mobile equipment or watercraft owned, operated by, rented or loaned to you. Use includes operations and loading or unloading;</p> <p>GL – (Injury or damage:)</p> <ol style="list-style-type: none"> 1. arising out of an auto, mobile equipment, watercraft or aircraft which: <ol style="list-style-type: none"> a. you own, take care of, operate, load or unload, lease or rent, or entrust to others; b. is loaned to you or is operated, loaded or unloaded, for you by an employee in the course of employment by you; 	<p>Seasonal Agricultural Worker Protection Act (29 USC 1801-1872) or any amendment to that law.</p> <p>G. Arising out of any liability assumed by any insured under any contract or agreement. This exclusion does not apply to:</p> <ol style="list-style-type: none"> 1. Liability the insured would have in the absence of such contract or agreement; or 2. Liability assumed under contract with a Health Maintenance Organization, Preferred Provider Organization, Independent Practice Association, or any other similar organization; but only for such liability that is attributed to the negligence of the insured. 3. A warranty of fitness or quality of any therapeutic agents or supplies the insured furnished in the course of providing professional services. <p>H. Arising out of the ownership, maintenance, operation, use, entrustment to others, loading or unloading of any automobile, mobile equipment, watercraft or aircraft owned or operated by, or rented, or loaned to any insured, or any other automobile, mobile equipment, watercraft or aircraft operated by any person in the course of his or her employment by you.</p> <p>This exclusion does not apply to:</p> <ol style="list-style-type: none"> 1. The parking of an automobile onto premises you own, rent or control, or the ways immediately adjoining, if such automobile is not owned by or rented or loaned to any insured. 2. Mobile equipment used exclusively on your premises. 	<p>Combined PL and GL exclusions. Added health maintenance organization exception.</p> <p>Removed employment contract exception.</p> <p>Combined PL and GL automobile exclusions.</p> <p>Parking, non-owned watercraft and mobile equipment exceptions added.</p>

MAR 1 - 1999

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>PL - (Injury or damage:) due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution;</p> <p>GL - (Injury or damage:) caused by or resulting from:</p> <ol style="list-style-type: none"> war, either directly or indirectly, including undeclared and civil war; insurrection, rebellion or revolution; warlike acts by a military force or personnel; destruction or seizure of property for a military purpose; <p>PL - loss, under any circumstances due to nuclear reaction, radiation or contamination, regardless of the cause;</p> <p>GL - (injury or damage: caused by or resulting from:)</p> <ol style="list-style-type: none"> nuclear reaction, radiation or contamination, regardless of cause; <p>PL - (any liability:) you have as a proprietor, superintendent, director, administrator or executive officer of any:</p> <ol style="list-style-type: none"> hospital, nursing home or sanitarium; clinic, including those with bed and board facilities; laboratory or business; <p>This exclusion does not apply to a medical incident arising out of the providing of professional services by you or anyone acting under your direction or control;</p> <p>Claims arising out of physical abuse, threatened abuse, sexual abuse or sexual harassment, immoral or sexual behavior whether or not intended to lead to, or culminating in any sexual act, whether caused by, or at your instigation, or omission, or that of your employees, or any persons. However, notwithstanding the foregoing, you shall be provided with a defense</p>	<p>3. Watercraft that you do not own, that is under 26 feet in length, and only while in the water, or any watercraft while ashore on your premises.</p> <p>I. Caused by or resulting from war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.</p> <p>J. Due to nuclear reaction, radiation or contamination, regardless of the cause.</p> <p>K. Arising out of your duties as a proprietor, owner, superintendent, director, partner, manager, administrator or executive officer of any hospital, nursing home, medical clinic, health maintenance organization, managed care facility, sanitarium, or any other facility with bed and board arrangements, and any facility not specified in the Declarations or endorsement thereto.</p> <p>L. Arising out of physical abuse, threatened abuse, sexual abuse or sexual harassment, immoral or sexual behavior, whether or not intended to lead to, or culminating in any sexual act, whether caused by, or at your instigation, or omission, or that of your employees, or any other persons.</p>	<p>PL and GL exclusions combined.</p> <p>PL and GL exclusions combined.</p> <p>Added HMO and Manage Care facilities to list of excluded operations.</p> <p>Removed exception for medical incident, arising out of providing professional services from these facilities; clarifies this to be PL and GL exclusion.</p> <p>Added "admission of guilt" as a basis for coverage denial or termination of defense.</p>

MAR 11 - 1999

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>against any claim or suit which may be brought against you for any such alleged acts, provided that the defense shall be limited to the amount of the professional coverage. No damages shall be paid for or on your behalf and no defense or appeal shall be provided when a judgement or final adjudication adverse to you establishes that such act or acts occurred.</p>	<p>However, notwithstanding the foregoing, we will defend any claim or civil suit alleging such acts that you deny, and seeking damages that would be covered by this policy if this exclusion did not apply. We will pay claims expenses up to the Professional Liability Limits specified in the Declarations. However, our duty to defend will cease upon admission of guilt by any insured, or a judgement or final adjudication adverse to any insured. We will have no obligation to appeal any such judgement or adjudication.</p>	
	<p>GL – damage to property: 1. you own, rent, occupy or use; 2. which is in your care, custody, or control;</p>	<p>M. Included within the products hazard or completed operations hazard.</p>	<p>Added exclusion.</p>
		<p>N. Included within the explosion hazard, collapse hazard or underground property damage hazard.</p>	<p>Added exclusion.</p>
		<p>O. To property you own, rent, or occupy; to property loaned to you; or personal property in your care, custody or control.</p>	<p>Added "loaned property" and qualified care, custody, or control as applying to personal property.</p>
		<p>P. To your products arising out of the use of such products or any part of such products.</p>	<p>Added exclusion.</p>
		<p>Q. Resulting from the withdrawal, inspection, repair, replacement, or loss of use of your products or work performed by or on behalf of you after such products or work have been put to use by any person or organization other than you.</p>	<p>Added exclusion.</p>
	<p>PL- any of your actions or omissions;</p>	<p>R. Arising out of any of your actions or omissions: 1. As a licensed or certified:</p>	
	<p>1. as a licensed or certified:</p>	<p>a. Nurse Anesthetist or Nurse Midwife. b. Physician, Surgeon or Dentist. c. Physician Assistant d. Flight Nurse e. Emergency Medical Technician. f. Clinical Psychologist or Psychiatrist.</p>	<p>Added Psychiatrist as excluded profession.</p>
	<p>a. nurse anesthetist, nurse-midwife; or physician, surgeon or dentist; b. physician or surgeon assistant; c. emergency medical technician; or d. flight nurse; e. clinical psychologist</p>		<p>Removed surgeon assistant from exclusions; is eligible for coverage.</p>

MAR 1 - 1999

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>2. related to x-ray therapy or hypnotherapy;</p> <p>3. as an allied health student or unlicensed allied health professional who is not under the direct supervision of a physician, nurse or other licensed allied health professional, or who is not employed at a hospital, nursing home or other licensed health care provider.</p> <p>PL – (Injury or damage:) arising out of professional services which happened prior to the effective date of this policy;</p> <p>PL – (Injury or damage:) arising out of actual or alleged violation of any:</p> <p>a. anti-trust law;</p> <p>b. agreement or conspiracy to restrain trade;</p> <p>This exclusion does not apply to claims arising from your activity as a member of any committee, panel, or board which provides underwriting or claims advice or recommendations, provided your activity is within the scope of the committees, panel's, or board's established guidelines;</p>	<p>2. Related to X-ray Therapy or Hypnotherapy.</p> <p>3. As an allied health student or unlicensed or uncertified allied health professional who is not under the direct supervision of a physician, nurse or other licensed or certified allied health professional, or who is not employed at a hospital, nursing home or other licensed health care provider.</p> <p>S. Arising out of actual or alleged violation of any:</p> <p>1. Anti-trust law violation; or</p> <p>2. Agreement or conspiracy to restrain trade;</p> <p>This exclusion does not apply to claims arising from your activity as a member of any committee, panel, or board which provides underwriting or claims advice or recommendations, provided your activity is within the scope of the committees, panel's, or board's established guidelines.</p> <p>We will not defend or pay, under this policy, for personal and advertising injury:</p> <p>A. Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict personal and advertising injury;</p> <p>B. Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;</p> <p>C. Arising out of oral or written publication of material whose first publication took</p>	<p>No change.</p> <p>Removed; this provision is contained in policy introduction.</p> <p>No change.</p> <p>Added P&AI exclusions.</p>

MAR 11 1999

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>PL - (Injury or damage:) arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants;</p>	<p>place before the beginning of the policy term;</p> <p>D. Arising out of a criminal act committed by or at the direction of any insured;</p> <p>E. For which the insured as assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;</p> <p>F. Arising out of a breach of contract, except an implied contract to use another's advertising idea in your advertisement;</p> <p>G. Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your advertisement;</p> <p>H. Arising out of the wrong description of the price of goods, products or services stated in your advertisement;</p> <p>I. Committed by an insured whose business is advertising, broadcasting, publishing or telecasting.</p> <p>We will not defend or pay, under this policy, for injury, property damage, or personal and advertising injury:</p> <p>A. Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;</p> <p>B. Arising out of any request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the</p>	<p>Pollution expanded to include general liability and personal and advertising liability.</p>

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>Any loss, cost, or expense arising out of any governmental direction or request that you test for, monitor, clean up, contain, treat, detoxify or neutralize pollutants;</p> <p>GL – (injury or damage:) caused by or resulting from non-professional services activities; or the rental or holding for rental of any part of any premises by you.</p> <p>This exclusion does not apply to:</p> <p>a. activities which are ordinarily incidental to your professional services activities.</p> <p>PL – any punitive or exemplary amounts;</p> <p>PL – any fines, penalties, the return or withdrawal of fees or government payments imposed directly upon you;</p> <p>PL – any multiplication of amounts payable under this policy, imposed by law;</p>	<p>effects of, pollutants; or</p> <p>C. Arising out of any claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, pollutants.</p>	<p>Removed. Insuring agreement stipulates that injury must be caused by professional incident arising out of professional services.</p> <p>Included within definition of damages.</p> <p>Included within definition of damages.</p> <p>Included within definition of damages.</p>
Who is An Insured		<p>Each of the following is an Insured under this policy:</p> <p>A. The self-employed individual, sole proprietorship, or partnership designated on the Declarations, or Certificate of Insurance.</p> <p>B. The organization or business entity designated in the Declarations, or Certificate of Insurance, including any owner, officer, director, trustee or stockholder, but only while acting within the course and scope of their duties as such.</p> <p>C. Any employee of the insured, but only while acting on behalf of the insured and within the scope of the employee's duties as such, or for acts performed by such employee as a</p>	<p>Added "Who is an Insured" provisions.</p> <p>Added "Good Samaritan" provision.</p>

MAR 1 - 1999

Element	Existing – PF-2454a (7/93)	Proposed – PF-SY90 (10/98)	Comment
		<p>Good Samaritan during the employee's term of employment with the insured.</p> <p>D. Any volunteer, but solely while such person was acting within the scope of the volunteers duties for and on behalf of the insured.</p> <p>E. A locum tenans with whom the insured has contracted to provide temporary or substitute professional services, but only while acting within their duties for, and on behalf of the insured. During the period of replacement, the person for whom the locum tenans is substituting shall not be an insured under this policy.</p>	<p>Added volunteers as insureds.</p> <p>Added locum tenans coverage.</p>
Defense and Settlement	<p>PL - We have the right to and will defend any claim. We will:</p> <p>A. do this even if any of the charges of the claim are groundless, false or fraudulent;</p> <p>B. investigate and settle any claim as we feel appropriate;</p> <p>Our payment of the limit of liability ends our duty to defend or settle. We have no duty to defend any claim not covered by this policy.</p> <p>GL - We have the right and will defend any claim. We will do this even if any of the charges of the claim are groundless, false, or fraudulent. We will investigate and settle any claim as we feel appropriate. Our payment of the limit of liability in judgements and settlements ends our duty to defend or settle. We have no duty to defend any claim not covered by this Coverage Part.</p> <p>Claim expenses are in addition to our limit of liability, except those related to Exclusion J. where they are limited to our limit of liability.</p>	<p>We have the right and duty to defend any claim to which this insurance applies. We will investigate and settle any claim as we feel appropriate, but shall not commit you to any settlement without your consent. If you refuse to consent to any settlement recommended by the Company and elect to contest the claim, or continue any legal proceedings in connection with such claim, then we shall be relieved of any further duty to defend the claim, and then our liability for the claim will not exceed the amount for which the claim could have been settled.</p> <p>You shall not admit liability, assume any obligations, incur any costs, charges, or expenses or enter into any settlement without our prior written consent.</p> <p>Our payment of the limit of liability ends our duty to defend or settle. We have no duty to defend any claim not covered by this policy.</p> <p>Claims expenses are in addition to the applicable limits of liability, except for those claims expenses subject to Exclusion L. (section II Exclusions) and the Professional Liability Limits specified in the Declarations.</p>	<p>Combined PL and GL defense and settlement clauses.</p> <p>Added consent to settle and hammer provisions.</p> <p>Added admission of liability and expense provisions.</p> <p>No change. PL and GL defense outside of limits; claims expenses defined.</p>
Limits of Liability	<p>PL - Limits of Liability</p> <p>A. The Limits of Liability shown on the</p>	<p>Professional Liability</p> <p>1. Each Professional Incident</p>	<p>PL and GL limits language revised to be consistent with each other.</p>

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>Declarations is the most we will pay regardless of the number of:</p> <ol style="list-style-type: none"> 1. you; 2. claims made or suits brought; or 3. entities making claims, or bringing suits. <p>B. Subject to provision A above, the total limit of our liability for all injury or damage shall not exceed the limit of liability stated as "aggregate." All medical incidents which happen during the policy term are included. The aggregate limit of liability applies to each annual policy term.</p> <p>C. The "Each Claim" Limit is the limit of our liability for all injury or damage arising out of, or in connection with, the same or related medical incident.</p> <p>D. Claim expenses are in addition to our limit of liability, except those related to Exclusion J. where they are limited to our limit of liability.</p> <p>GL – Limits of Liability</p> <p>A. Each Occurrence</p> <p>The limit of liability stated for "each occurrence" is the most we will pay for all injury or damage arising out of any one occurrence. The limit applies regardless of the number of you covered by, or claims made, under this policy.</p> <p>B. Medical Expenses</p> <ol style="list-style-type: none"> 1. Each Person <p>Our total liability for all medical expenses payable for injury to one person as the result of one accident</p>	<p>The limit of liability for "each professional incident" as indicated on the Declarations, or Certificate of Insurance, is the most we will pay for all injury or damages arising out of any one professional incident. The limit applies regardless of the number of insureds covered, claims made or suits brought under this policy.</p> <p>2. Aggregate</p> <p>The limit of liability indicated as "Aggregate" on the Declarations, or Certificate of Insurance, is the most we will pay regardless of the number of insureds covered or claims made under this policy for each policy term.</p> <p>Supplemental Liability</p> <ol style="list-style-type: none"> 1. Each Occurrence <p>The limit of liability for "each occurrence" as indicated on the Declarations, or Certificate of Insurance, is most we will pay for all injury or damages arising out of any one occurrence. The limit applies regardless of the number of insureds covered or claims made under this policy.</p> <p>2. Aggregate</p> <p>The limit of liability indicated as "Aggregate" on the Declarations, or Certificate of Insurance, is the most we will pay regardless of the number of insureds covered or claims made under this policy for each policy term.</p> <p>Medical Expenses</p> <ol style="list-style-type: none"> 1. Each Person <p>The limit of liability indicated as "Each Person" on the Declarations, or Certificate of Insurance, is the most we will pay for</p>	<p>Defense outside limits provision moved to Defense and Settlement section.</p> <p>GL aggregate limit added.</p> <p>No change; wording revised to be consistent with PL and GL language.</p>

MAR 1 - 1999

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>shall not exceed the limit of liability for "medical expense" shown on the Declarations.</p> <p>2. Aggregate</p> <p>Subject to B.1. above, our total liability for all medical expenses payable for injury to all persons as the result of one accident shall not exceed the limit of liability stated as "Aggregate-Medical Expenses" on the Declarations. This limit applies regardless of the number of you covered by, or claims made, under this policy.</p> <p>C. Defendant's Reimbursement</p> <p>Our liability for expenses and loss of time resulting from any one or more trials arising out of the same alleged causes of action shall be \$5,000 regardless of the number of you covered by, or claims made, under this policy.</p> <p>The limits of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy term shown on the Declarations, unless the policy term is extended after issuance for an additional period of less than 12 months. In that case, the aggregate limits of this policy, as shown in the Declarations, will be increased in proportion to any policy extension.</p>	<p>necessary medical expenses incurred as a result of bodily injury arising out of a condition on your premises or in the course of providing professional services.</p> <p>2. Aggregate</p> <p>The limit of liability indicated as "Aggregate" on the Declarations, or Certificate of Insurance, is the most we will pay for all necessary medical expenses incurred during the policy term regardless of the number of claims made under the Medical Expense coverage part.</p>	<p>Removed because of redundancy. This provision is fully described in the Supplemental Liability, Additional Payments section.</p> <p>No change.</p>
Definitions	<p>"Anti-Trust Law" means those laws listed in:</p> <p>A. Title 15, Section 12, of the United States Code;</p> <p>B. the Federal Trade Commission Act; and</p>	<p>"Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters.</p> <p>"Anti-Trust Law" means those laws listed in:</p> <p>1. Title 15, Section 12, of the United States Code;</p> <p>2. the Federal Trade Commission Act; and</p>	<p>Definition added consistent with new coverage.</p> <p>No change.</p>

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>C. any similar state law</p> <p>“Auto” means a land motor vehicle, trailer or semi-trailer designed for use on public roads. Any attached apparatus or machinery is included. Mobile equipment is not included.</p> <p>PL – “Claim” means the receipt of a demand for money or services, naming you and alleging a medical incident.</p> <p>All claims arising out of the same medical incident will be considered as having been made at the time the first claim was made.</p> <p>GL – “Claim” means the receipt of a demand for money or services, naming you and alleging injury or damage.</p> <p>“Claim Expenses” means:</p> <p>A. fees charged by an attorney we designate;</p>	<p>3. any similar state law</p> <p>“Assault” means any willful attempt or threat to inflict injury upon the person of another, when coupled with an apparent present ability so to do, and any intentional display of force such as would give the victim reason to fear or expect immediate bodily harm.</p> <p>“Automobile” means a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto), but does not include mobile equipment.</p> <p>“Bodily Injury” means bodily injury, sickness or disease, mental anguish, psychological injury or emotional distress sustained by any person, which occurs during the policy term, including death at any time resulting therefrom.</p> <p>“Certificate of Insurance” means what is commonly considered to be the Declarations page of the policy containing information such as the named insured, policy term, limits of liability, premium and policy number.</p> <p>“Civil investigation” means an investigation initiated as a result of civil proceedings relating to private rights and legal actions involving these. Civil investigation does not include any criminal proceedings.</p> <p>“Claim” means a demand for money or services. Claim also means a filing of a suit or the starting of arbitration proceedings naming you and alleging bodily injury, property damage, personal injury or advertising injury. All claims arising out of the same occurrence or professional incident will be considered as having been made at the time the first claim was made.</p> <p>“Claims expenses” means fees charged by an attorney we designate, and all other costs and expenses, including interest on that part of any</p>	<p>Definition added consistent with new coverage.</p> <p>Editorial refinement – no change in intent.</p> <p>Definition added.</p> <p>Definition added.</p> <p>Definition added.</p> <p>Definition added.</p> <p>Combined PL and GL definitions. Added suit or arbitration proceedings to meaning of “claim.” Tied claim to allegation of bodily injury, property damage, personal injury, or advertising injury.</p> <p>Combined PL and GL definitions. Added pre or post judgement interest as</p>

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>and</p> <p>B. all other fees, costs, and expenses which result from the investigation, adjustment, defense, and appeal of a claim. These expenses must be incurred by us, or by you with our prior written consent.</p>	<p>judgement that does not exceed the limit of your coverage. These expenses must be incurred by us, or by you with our prior written consent.</p> <p>Claims expenses do not include:</p> <ol style="list-style-type: none"> 1. Salary charges of your regular employees or Company officials; or 2. Fees and expenses of independent adjusters. <p>“Collapse hazard” includes structural property damage as defined herein and property damage to any other property at any time resulting therefrom. Structural property damage means the collapse of or structural injury to any building or structure due to:</p> <ol style="list-style-type: none"> 1. Grading of land, excavating, borrowing, filling, back-filling, tunneling, pile driving, cofferdam work or caisson work; or 2. Moving, shoring, underpinning, raising or demolition of any building or structure or removal or rebuilding of any structural support thereof. <p>“Completed operations hazard” includes bodily injury and property damage arising out of operations or reliance upon a representation or warranty made by any time with respect thereto, but only if the bodily injury or property damage occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to you.</p> <p>“Operations” include material, parts or equipment furnished in connection therewith. “Operations” shall be deemed completed at the earliest of the following times:</p> <ol style="list-style-type: none"> 1. When all operations to be performed by you or on your behalf under the contract have been completed; or 2. When all operations to be performed by you or on your behalf at the site of the operations have been completed; or 	<p>part of “claims expense” definition.</p> <p>Removed employee salary and independent adjuster fees from “claims expenses.”</p> <p>Definition added.</p> <p>Definition added.</p>

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>"Damage" means:</p> <p>A. physical injury to tangible property, including all resulting loss of use of that property; or</p> <p>B. loss of use of tangible property that is not physically injured.</p>	<p>3. When the portion of the work from which the bodily injury or property damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.</p> <p>Operations which may require further service, maintenance work, correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.</p> <p>The completed operations hazard does not include bodily injury or property damage arising out of:</p> <ol style="list-style-type: none"> 1. Operations in connection with the transportation of property, unless the bodily injury or property damage arises out of a condition in or on a vehicle created by the loading or unloading thereof; or 2. The existence of tools, installed equipment or abandoned or unused material. <p>"Damages" means a monetary judgement award or settlement, provided always that damages does not include punitive or exemplary damages, fines or penalties, the return of fees or other consideration paid to the insured, or the portion of any award or judgement caused by multiplication of actual damages whether imposed by law or otherwise.</p> <p>"Explosion hazard" includes property damage arising out of blasting or explosion. The explosion hazard does not include property</p>	<p>Definition incorporated under "Property Damage."</p> <p>Definition added.</p> <p>Definition added.</p>

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>damage:</p> <ol style="list-style-type: none"> 1. Arising out of the explosion of air or steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment; or 2. Arising out of operations performed for you by independent contractors; or 3. Included within the completed operations hazard or the underground property damage hazard; or 4. For which liability is assumed by any insured under an incidental contract. <p>“Good Samaritan” means providing professional services in an emergency situation, and for which remuneration is neither expected nor received.</p> <p>“Injury” means bodily injury, as defined herein.</p>	<p>“Injury” means bodily injury, sickness, or disease sustained by a person. Death at any time as a result of injury is also included.</p> <p>GL – “Insured Location” means:</p> <ol style="list-style-type: none"> A. your residence premises; B. the part of any other premises, structures, and grounds: <ol style="list-style-type: none"> 1. used by you as a residence and which is shown on the Declarations; or 2. which is acquired by you during the policy term for your use as a residence; C. any premises used by you in connection with the premises included in A and B above; D. any part of a premises not owned by you but where you are temporarily residing; E. land owned by or rented to you on which a one or two family dwelling is being constructed as a residence for you; F. any part of a premises occasionally rented to you for your professional services activities. 	<p>Definition added consistent with new coverage.</p> <p>Definition of “injury” linked to “bodily injury” as previously defined.</p> <p>Redefined as “Your Premises.”</p> <p>Definition added.</p>

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>PL – “Medical incident” means any act, error or omission in the providing of or failure to provide professional services by you. This includes your responsibility for anyone acting under your direction or control</p> <p>“Mobile Equipment” means a land motor vehicle, whether or not self propelled, not subject to motor vehicle registration, used primarily on your premises or designed principally for use off public roads.</p> <p>“Named Insured” means the person named on the Declarations of this policy as the Named Insured.</p> <p>“Occurrence” means an accident, including continuous or repeated exposure to conditions which results, during this policy term, in injury or damage neither expected nor intended by you.</p>	<p>qualifying under the “WHO IS AN INSURED UNDER THIS POLICY” provision of this form.</p> <p>“Mobile equipment” means a land motor vehicle, whether or not self propelled, not subject to motor vehicle registration, used primarily on your premises or designed principally for off road use.</p> <p>“Occurrence” means an accident, including continuous or repeated exposure to substantially the same general conditions, which results in bodily injury or property damage, neither expected nor intended from the standpoint of any insured.</p> <p>“Personal and advertising injury” means injury, including consequential injury, arising out of one or more of the following offenses:</p> <ol style="list-style-type: none"> 1. False arrest, detention or imprisonment; 2. Malicious prosecution; 3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor; 4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; 5. Oral or written publication of material that violates a person's right of privacy; 	<p>Renamed and defined as “Professional Incident.”</p> <p>No change.</p> <p>Definition incorporated under “insured” and “Who is an Insured” section.</p> <p>Advertising injury added to definition of “occurrence.”</p> <p>Definition revised.</p>

MAR 1 1999

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>"Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.</p>	<p>6. The use of another's advertising idea in your advertisement; or</p> <p>7. Infringement upon another's copyright, trade dress or slogan in your advertisement.</p> <p>"Policy term" means the period from the Effective date of this policy to the policy Expiration date as set forth in the Declarations, or its earlier termination date, if any.</p> <p>"Policy territory" means anywhere in the world, provided that the claim or suit is brought in the United States of America, its territories or possessions, or Canada.</p> <p>"Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.</p> <p>"Products hazard" includes bodily injury and property damage arising out of your products or reliance upon a representation or warranty made at any time with respect thereto, but only if the bodily injury or property damage occurs away from premises owned by or rented to you and after physical possession of such products has been relinquished to others. Equipment specifically designed, made or altered by you for a patient or client in the performance of the your professional services or conduct of business, shall not be included in the products hazard.</p> <p>"Professional incident" means any negligent act, error, or omission in the providing of or failure to provide professional services by you, including professional services as a Good Samaritan. This includes your responsibility for anyone acting under your direction or control. Any such act or omission together with all related acts or omissions shall be considered one incident and be subject to the same limit of liability.</p> <p>"Professional services" means those services you are certified, licensed, trained, or being</p>	<p>Definition added.</p> <p>Definition added; moved from Conditions section.</p> <p>No change.</p> <p>Definition added.</p> <p>Replaces "Medical Incident" definition.</p> <p>Good Samaritan coverage added.</p> <p>Clarification added with respect to treatment of related acts, errors or omissions.</p> <p>PL and GL definitions combined.</p>

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>trained to provide within the allied health field specified in your application and approved by us for coverage.</p> <p>"Professional Services" also means your services as a member of a formal accreditation, standards review or similar professional board or committee related to your specific allied health field.</p> <p>GL – "Professional Services" means those services you are licensed, trained, or being trained to provide within the allied health field specified in your application and approved by us for coverage.</p> <p>GL – "Residence Employee" means and employee of yours who performs duties:</p> <p>A. In support of you and your professional services activities only and in line with your specific direction.</p> <p>B. elsewhere of a similar nature – in connection with your professional services activities.</p> <p>GL – "Residence Premises" means:</p> <p>A. the one to four family dwelling, other</p>	<p>or otherwise qualified to provide within the allied health field specified in your application and approved by us for coverage. Professional services also means your services as a member of a formal accreditation, standards review or similar professional board or committee related to your specified allied health care field.</p> <p>"Property damage" means:</p> <ol style="list-style-type: none"> 1. Physical injury to or destruction of tangible property which occurs during the policy term, including the loss of use thereof at any time resulting therefrom; or 2. Loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the policy term; or 3. Economic loss, whether or not resulting from physical injury or damage to person or property, except if such loss was caused, or alleged to have been caused, in whole or part, by anti-trust, price fixing, restraint of trade or unfair business practices by any insured. 	<p>"Certified" and "qualified" conditions added to description of services.</p> <p>Definition added.</p>

MAR 1 - 1999

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>structures and grounds; or</p> <p>B. that part of any other building where you reside and which is shown as the residence premises on the Declarations.</p>	<p>"Suit" includes lawsuit and/or arbitration proceedings to which the insured is required to submit or to which the insured has submitted with the Company's consent;</p> <p>"Underground property damage hazard" includes underground property damage as defined herein and property damage to any other property at any time resulting therefrom. Underground Property Damage means property damage to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any apparatus in connection therewith, beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling borrowing, filling, back-filling or pile driving. The underground property damage hazard does not include property damage:</p> <ol style="list-style-type: none"> 1. Arising out of operations performed for you by independent contractors; or 2. Included within the completed operations hazard; or 3. Of which liability is assumed by you under an incidental contract. 	<p>Definition added.</p> <p>Definition added.</p>
	<p>PL – "You or your" means the person named on the Declarations of this policy.</p> <p>GL – "You" or "Your" means:</p> <p>A. the named insured shown on the Declarations.</p>	<p>"Your premises" means that part of any premises, structure or grounds used by you in the course of providing your professional services and used at your direction and with your permission.</p>	<p>PL and GL definitions removed. "You" or "Your" are explained in policy introduction. "Insured" is defined.</p> <p>Definition added.</p>

MAR 1 - 1999

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
General Conditions	<p>PREMIUM</p> <p>All premium charges under this policy will be computed according to our rules and rating plans which apply at the time of the change. Premiums for this policy are payable to us or our authorized representative in advance. The first premium is due on the inception date of coverage.</p> <p>Policy Territory</p> <p>This policy applies to medical incidents taking place anywhere in the world; provided that claim is made and suit is brought against you in the United States of America, its territories or possessions or Canada.</p> <p>DUTIES IN THE EVENT OF A CLAIM</p> <p>A. If there is a claim, or you reasonably think there will be, you must see to it that we are notified as soon as practicable. To the extent possible, notice must include:</p> <ol style="list-style-type: none"> 1. the specific medical incident; 2. the injury or damage which has or may result from the medical incident; and 3. the circumstances by which you first became aware of such medical incident. <p>B. If a claim is received by any of you, you must:</p> <ol style="list-style-type: none"> 1. immediately record the specifics of the claim and the date received; and 2. notify us as soon as practicable. 	<p>“Your products” means goods or products manufactured by you or others trading under your name, including any container thereof.</p> <p>PREMIUM</p> <p>All premium charges under this policy will be computed according to our rules and rating plans, which apply at the time of the change. Premiums for this policy are payable to us or our authorized representative in advance. The first premium is due on the inception date of coverage.</p> <p>POLICY TERRITORY</p> <p>DUTIES IN THE EVENT OF A CLAIM</p> <p>1. If there is a claim, or you reasonably think there will be, you must see to it that we are notified as soon as practicable. To the extent possible, notice must include:</p> <ol style="list-style-type: none"> a. The specific professional incident or occurrence; b. The injury or damage which has or may result from the professional incident or occurrence; and c. The circumstances by which you first became aware of such professional incident or occurrence. <p>2. If a claim is received by any insured, you must:</p> <ol style="list-style-type: none"> a. Immediately record the specifics of the claim and the date received; and b. Notify us as soon as practicable 	<p>Definition added.</p> <p>No change.</p> <p>Moved to Definitions</p> <p>No change.</p>

MAR 11 1999

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>C. You must see to it that we receive written notice of the claim as soon as practicable.</p> <p>D. You must:</p> <ol style="list-style-type: none"> 1. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim; 2. authorize us to obtain records and other information; 3. cooperate with us in the investigation, settlement or defense of the claim; and 4. assist us, upon our request, in the enforcement of any right against any entity which may be liable to you because of injury or damage to which this insurance may also apply. <p>E. As respects Defendants Reimbursement, you must give us or any of our authorized representatives written notice as soon as practicable following the last date of expense. This notice shall contain sufficient detail to identify you and all reasonably obtainable information regarding the time, place and circumstances of the expense. Also, included must be the identity of the court and all parties to the action before the court.</p> <p>F. You will not, except at your own cost, voluntarily make any payment, assume any obligation, or incur any expense without our prior written consent.</p> <p>SEPARATION OF INSURED</p> <p>Except with respect to the Limits of Liability, and any rights or duties specifically assigned to the first of you named, this insurance applies:</p> <p>A. as if each of you were the only person named; and</p>	<p>3. You must see to it that we receive written notice of the claim as soon as practicable.</p> <p>4. You must:</p> <ol style="list-style-type: none"> a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim; b. Authorize us to obtain records and other information; c. Cooperate with us in the investigation, settlement or defense of the claim; and d. Assist us, upon our request, in the enforcement of any right against any entity which may be liable to you because of injury or damages to which this insurance may also apply. <p>5. As respects Defendants Reimbursement, you must give us or any of our authorized representatives written notice as soon as practicable following the last date of expense. This notice shall contain sufficient detail to identify you and all reasonably obtainable information regarding the time, place and circumstances of the expense. Also, included must be the identity of the court and all parties to the action before the court.</p> <p>6. You will not, except at your own cost, voluntarily make any payment, assume any obligation, or incur any expense without our prior written consent.</p> <p>SEPARATION OF INSURED</p> <p>Except with respect to the Limits of Liability, and any rights or duties specifically assigned to you, this insurance applies:</p> <p>1. As if each insured were the only person or organization named; and</p>	<p>No change.</p>

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>B. separately to each of you against whom claim is made.</p> <p>OTHER INSURANCE</p> <p>If there is other insurance which applies to the loss resulting from you professional services, the other insurance must pay first. It is the intent of the policy to apply to the amount of loss which is more than:</p> <p>A. the limits of liability of the other insurance; and</p> <p>B. the total of all deductibles and self-insured amounts under all such other insurance.</p> <p>We will not pay more than our limit of liability.</p> <p>TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US</p> <p>If any of you have rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. You must do</p>	<p>2. Separately to each insured against whom a claim is made.</p> <p>OTHER INSURANCE</p> <p>If there is other valid insurance, including primary, excess, contingent, patient compensation or similar fund, self insurance, including deductible amounts thereof, which may apply to a loss or claim covered by this policy, the insurance provided herein shall be deemed excess over and above all other available and applicable amounts.</p> <p>When this insurance is excess, We shall have no duty under this policy to defend any claim or suit that any other party has a duty to defend. If such other party refuses to defend such claim or suit, we shall be entitled to your rights against all other such parties for any defense costs we incur.</p> <p>When both this insurance and other insurance, including primary, excess, contingent, patient compensation or similar fund, self insurance, including deductible amounts thereof apply to the loss on the same basis, we shall not be liable under this policy for a greater proportion of the loss or defense costs that the applicable limits of liability under this policy bears to the total applicable limits of insurance and amounts of all valid and collectible monies available against such loss. Subject to the foregoing, if a loss occurs involving two or more insurers, or similar parties as elsewhere listed under this Condition, each of which provides that its insurance or applicable funds shall be excess than we will contribute no more than our percentage of the total amount of insurance and applicable funds covering the loss, less any applicable deductible.</p> <p>TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US</p> <p>If any of you have rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. You must do</p>	<p>Qualified types other valid insurance.</p> <p>Refined "excess of" language for greater clarity.</p> <p>Added limitation on defense obligation when other insurance is primary.</p> <p>Added other insurance provision.</p> <p>No change.</p>

MAR 1 1999

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>nothing after a loss to impair them.</p> <p>At our request, you will bring suit or transfer those rights to us and help us enforce them.</p> <p>LEGAL ACTION AGAINST US</p> <p>No entity has a right under this policy:</p> <p>A. to join us as a party or otherwise bring us into a claim against you; or</p> <p>B. to sue us in connection with this insurance unless all of its terms have been complied with fully.</p> <p>An entity may sue us to recover on an agreed settlement or on a final judgement against you. We will not be liable for amounts that are not payable under the terms of this policy or that are in excess of the applicable limit of liability.</p> <p>CHANGES</p> <p>This policy contains all the agreements between you and us concerning the insurance afforded. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.</p> <p>TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY</p> <p>Your rights and duties under this policy may not be transferred without our written consent except in the case of your death.</p> <p>If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have our rights and duties but only with respect to that property.</p> <p>REPRESENTATIONS</p>	<p>nothing after a loss to impair them.</p> <p>LEGAL ACTION AGAINST US</p> <p>No entity has a right under this policy:</p> <p>a. To join us as a party or otherwise bring us into a claim or suit against you; or</p> <p>b. To sue us in connection with this insurance unless all of its terms have been complied with fully.</p> <p>An entity may sue us to recover after an agreed settlement or on a final judgement against you. However, we will not be liable for amounts that are not payable under the terms of this policy or that are in excess of the applicable limit of liability.</p> <p>CHANGES</p> <p>This policy contains all the agreements between you and us concerning the insurance afforded. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.</p> <p>TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY</p> <p>Your rights and duties under this policy may not be transferred without our written consent except in the case of an individual insured's death.</p> <p>If that Insured dies, their rights and duties will be transferred to their legal representative but only while acting within the scope of duties as the insured's legal representative. Until that legal representative is appointed, anyone having proper temporary custody of that insured's property will have our rights and duties but only with respect to that property.</p> <p>REPRESENTATIONS</p>	<p>No change.</p> <p>No change.</p> <p>No change.</p>

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>By accepting this policy, you agree that:</p> <p>A. the statements in the Declarations are accurate and complete;</p> <p>B. those statements are based upon representations you made to us; and</p> <p>C. we have issued this policy in reliance upon your representations.</p> <p>BANKRUPTCY</p> <p>Bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this policy.</p> <p>WHEN WE DO NOT RENEW</p> <p>If we decide not to renew this policy, we will mail or deliver to the first of you named in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.</p> <p>If notice is mailed, proof of mailing will be sufficient proof of notice.</p> <p>CANCELLATION</p> <p>A. The first of you named in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.</p> <p>B. We may cancel this policy by mailing or delivering to you written notice of cancellation at least:</p> <ol style="list-style-type: none"> 1. 10 days before the effective date of cancellation if we cancel for non-payment of premium; or 2. 30 days before the effective date of cancellation if we cancel for any other reason. 	<p>By accepting this policy, you agree that:</p> <ol style="list-style-type: none"> 1. The statements in the Declarations are accurate and complete; 2. Those statements are based upon the representations you made to us; and 3. We have issued the policy in reliance upon your representations. <p>BANKRUPTCY</p> <p>Your bankruptcy or insolvency, or the bankruptcy or insolvency of your estate, will not relieve us of our obligations under this policy.</p> <p>WHEN WE DO NOT RENEW</p> <p>If we decide not to renew this policy, we will mail or deliver to the first you specified on the Declarations written notice of the non-renewal which meets the regulatory requirements of the state in which you are located and in which this policy applies.</p> <p>If notice is mailed, proof of mailing will be sufficient proof of notice.</p> <p>CANCELLATION</p> <ol style="list-style-type: none"> 1. You may cancel this policy by mailing or delivering to us advance written notice of cancellation. 2. We may cancel this policy by mailing or delivering to you written notice that meets the regulatory requirements of the state in which you are located and in which this insurance applies. 3. We will mail or deliver our notice to the last mailing address known to us. 4. Notice of cancellation will state the effective date of cancellation. The policy term will end on that date. 	<p>No change.</p> <p>No change.</p> <p>Substituted 30 day notice of company initiated non-renewal with "meets regulatory requirements of the state" provision.</p> <p>No change.</p> <p>Substituted timing of company initiated cancellation notice with "meets regulatory requirements of the state" provision.</p>

MAR 1 - 1999

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>C. We will mail or deliver our notice to the last mailing address known to us.</p> <p>D. Notice of cancellation will state the effective date of cancellation. The policy term will end on that date.</p> <p>E. If this policy is cancelled, we will send you any premium refund due. If we cancel, the refund will be pro-rata. If you cancel, the refund may be less than pro-rata. The cancellation will be effective even if we have not made or offered a refund.</p> <p>F. If notice is mailed, proof of mailing will be sufficient proof of notice.</p> <p>TIME OF INCEPTION; POLICY TERM</p> <p>This policy will begin at 12:01 A.M. on the effective date shown on the Declarations. The policy will continue to apply until 12:01 A.M. on the expiration date also shown on the Declarations.</p> <p>OVERLAP OF INSURANCE</p> <p>If more than one coverage or Coverage Part of this policy applies to the same medical incident, we will not, for any reason, pay more than the limit of liability applicable to the most specifically described coverage.</p>	<p>5. If this policy is cancelled, we will send you any premium refund due. If we cancel, the refund will be pro-rata. If you cancel, the refund may be less than pro-rata. The cancellation will be effective even if we have not made or offered a refund.</p> <p>6. If notice is mailed, proof of mailing will be sufficient proof of notice.</p> <p>TIME OF INCEPTION AND POLICY TERM</p> <p>This policy will begin at 12:01 A.M. on the effective date shown on the Declarations. The policy will continue to apply until 12:01 A.M. on the expiration date also shown on the Declarations.</p> <p>OVERLAP OF INSURANCE</p> <p>If more than one coverage or Coverage Part of this policy applies to the same professional incident, we will not, for any reason, pay more than the limit of liability applicable to the most specifically described coverage.</p>	<p>No change.</p> <p>No change.</p>
Special Conditions (GL)	<p>A. Property Damage – Without Legal Liability</p> <p>As respects property damage for which you are not legally liable, you must submit to us within 60 days after the loss, a sworn statement of loss, and if within your control, exhibit the damaged property to us.</p> <p>B. First Aid</p> <p>As respects First Aid to others at the time of the injury, you may voluntarily make payment or incur expense for the rendering of such first aid.</p>		<p>Removed condition; described as part of insuring agreement.</p> <p>Removed condition; described as part of insuring agreement.</p>

MAR 1 1998

Element	Existing - PF-2454a (7/93)	Proposed - PF-5Y90 (10/98)	Comment
	<p>C. Medical Expenses</p> <p>As respects Medical Expenses, the injured person, or someone acting on their behalf, shall:</p> <ol style="list-style-type: none"> 1. give us written proof of claim, under oath if required, as soon as practicable, and 2. execute authorization to allow us to obtain copies of medical reports and records. <p>The injured person shall submit to physical examination by a physician selected by us when and as often as we reasonably require.</p> <p>Any payment under the above special conditions is not an admission of liability by either you or us.</p> <p>D. Coverage Territory</p> <p>This Coverage Part applies to injury or damage which occurs, and for which claim is first made, within the United States of America, its territories, possessions or Canada.</p>		<p>Removed condition; described as part of insuring agreement.</p> <p>Located under DEFINITIONS.</p>
Conditions (PL)	<p>Policy Territory</p> <p>This policy applies to medical incidents taking place anywhere in the world; provided that claim is made and suit is brought against you in the United States of America, its territories or possessions or Canada.</p>		Located under DEFINITIONS.
Amended Conditions (GL)	<p>General Conditions Other Insurance and Transfer of Rights of Recovery Against Others to Us are deleted and replaced with the following:</p> <p>A. Other Insurance</p> <p>Insurance provided by this policy for injury or damage is intended to supplement any other available coverage, including but not limited</p>		Amendment to Other Insurance condition removed.

Element	Existing – PF-2454a (7/93)	Proposed – PF-5Y90 (10/98)	Comment
	<p>to Homeowners and Personal Liability Insurance. When such insurance exists this policy:</p> <ol style="list-style-type: none">1. is excess over any and all such other insurance;2. shall not contribute with any other insurance; and3. shall apply only if, and after, the limits of such other valid and collectible insurance have been fully exhausted by payment of judgements or settlements. <p>We will not, for any reason, pay more than our limit of liability.</p> <p>B. Transfer of Rights of Recovery Against Others to Us</p> <p>As respects your business liability, you may waive in writing before such loss, all rights of recovery against any person. If not waived, we may require an assignment of rights for recovery for a loss to the extent that payment is made by us.</p> <p>If an assignment is sought, you shall sign and deliver all related papers to and cooperate with us in any reasonable manner.</p> <p>This right of recovery does not apply to medical expenses coverage, or to property damage for which you are not legally liable.</p>		Subrogation waiver removed.

MAR 1 - 1999

RATE REVIEW



**CIGNA Property
& Casualty**

November 10, 1998

Attention: Reference Filing

Honorable Mark Boozell
Director of Insurance
Illinois Department of Insurance
320 West Washington Street
Springfield, Illinois 62767

Re: CIGNA INSURANCE COMPANY OF ILLINOIS

36-2709121

Reference Filing – Professional Liability
Reference Dental Professional Liability Program from CIGNA Insurance Company
Into CIGNA Insurance Company of Illinois
Rates, Rules and Forms
Our Filing Number 98-PR-274

Dear Commissioner:

Please accept this as a reference filing for our Dentists Professional Liability Program into CIGNA Insurance Company of Illinois.

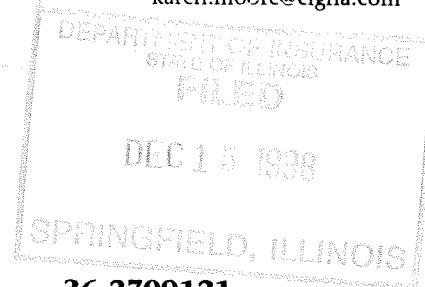
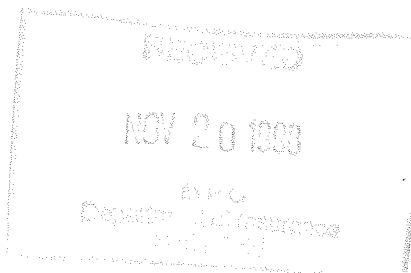
Our filing 96-GL-0039, dated February 29, 1996, filed a Dentists Professional Liability Program for CIGNA Insurance Company and was approved 4/1/96. We now wish to file the same program in CIGNA Insurance Company of Illinois.

Enclosed please find copies of the forms used for the program, as well as a set of rules and rates, to which the company name of CIGNA Insurance Company of Illinois has been added. The program is the same in all respects as that for CIGNA.

We wish to use the program in the new company for new business effective on and after December 15, 1998. To that end we seek your approval.

Regards,

Karen N. Moore
karen.moore@cigna.com



Routing TL30F
1601 Chestnut Street
Philadelphia PA 19192-2305
Telephone 215.761.1282
Facsimile 215.761.5611
karen.moore@cigna.com

Received
12/14/98

IL LOIS DEPARTMENT OF INSURANCE

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 12/15/98 (new) n/a (ren)

(1) <u>Coverage</u>		(2) <u>Annual Premium Volume (Illinois)*</u>	(3) <u>Percent Change (+ or -)**</u>
1.	Automobile Liability Private Passenger Commercial		
2.	Automobile Physical Damage Private Passenger Commercial		
3.	Liability Other Than Auto		
4.	Burglary and Theft		
5.	Glass		
6.	Fidelity		
7.	Surety		
8.	Boiler and Machinery		
9.	Fire		
10.	Extended Coverage		
11.	Inland Marine		
12.	Homeowners		
13.	Commercial Multi-Peril		
14.	Crop Hail		
15.	Other <u>Professional Den</u> Line of Insurance	0	NEW COMPANY

Does filing only apply to certain territory (territories) or certain classes? If so, specify: DENTISTS PROFESSIONAL LIABILITY BEING REFERENCED FILED FROM CIGNA INS CO INTO CIGNA INS CO OF ILLINOIS

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):
DENTISTS PROFESSIONAL LIABILITY BEING REFERENCED FILED FROM CIGNA INS CO INTO CIGNA INS CO OF ILLINOIS

*Adjusted to reflect all prior rate changes.

**Change in Company's premium level which will result from application of new rates.

CIGNA INSURANCE COMPANY OF ILLINOIS

Name of Company

Karen N. Moore, Sr. State Filing Specialist

Official - Title

I. APPLICATION OF MANUAL

- A. The rules contained in these pages govern the writing of Professional and General Liability policies for Allied Health professionals.
- B. The rules, rates, rating plans and forms filed on behalf of the Company, and not in conflict herewith, will govern in all cases not specifically provided for herein.

II. POLICY TERM

- A. Policies may be written for a term of one year and renewed annually thereafter.

Coverage may be extended for a period not to exceed sixty (60) days beyond expiration date, subject to the consent of the Company and the rates and forms in effect for the expiring policy term. Premiums for this extension shall be calculated on a pro-rata basis.

Coverage may be renewed, subject to the consent of the Company, for additional periods by payment of a premium calculated according to the company's rates, rules and forms in effect at the time of renewal.

III. PREMIUM COMPUTATION

- A. Premiums at policy inception will be computed using rules, rates and rating plan in effect at that time.
- B. When a policy is issued for other than a whole year, the premiums will be computed on a pro-rata basis.

IV. FACTORS OR MULTIPLIERS

Unless otherwise noted, factors or multipliers are to be applied consecutively, as opposed to being added together.

V. POLICY WRITING MINIMUM PREMIUM

No policy minimum premium applies.

VI. WHOLE DOLLAR RULE

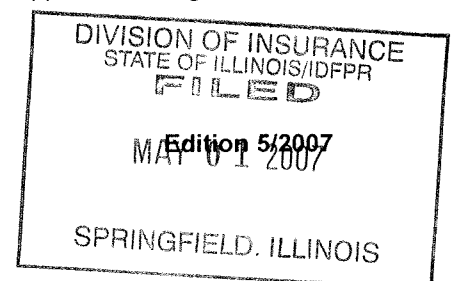
- A. The premium for each peril, coverage or exposure for which a separate premium is calculated will be rounded to the nearest whole dollar as follows:
 - 1. Any value involving \$.50 or more will be rounded up to the next highest whole dollar amount.
 - 2. Any value involving \$.49 or less will be rounded down to the next lowest whole dollar amount.

VII. ADDITIONAL PREMIUM CHARGES

- A. All coverage changes or additions involving additional premiums will be pro-rated based upon the effective date of the change.
- B. The rates and rules that were in effect at the inception date of the policy period are to be used in all additional premium calculations.
- C. Additional premiums of \$24 or less may be waived. This waiver only applies to charges due on the effective date of change endorsements.

VIII. RETURN PREMIUMS

**ACE AMERICAN INSURANCE COMPANY
ACE INSURANCE COMPANY OF ILLINOIS**



- A. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
- B. Return premiums are computed using rates in effect at the policy inception.
- C. Return premiums are computed pro rata and rounded in accordance with the whole dollar rule when any coverage or exposure is deleted, or an amount of insurance is reduced.

IX. POLICY CANCELLATIONS

- A. This policy may be canceled flat by the Insured within 60 days of the effective date. Evidence of such cancellation must be received by the Company within the 60-day period.
- B. Any cancellation initiated by the Company more than 60 days from inception will be computed on a pro-rata basis.
- C. Cancellation initiated by the Insured will be computed pro rata less a penalty of 10% unless the same coverage is rewritten by the Company, in which case no penalty shall be applied.

X. COVERAGE

- A. Professional Liability is available on an occurrence or claims made basis.
- B. General Liability is provided on an occurrence or claims made basis.

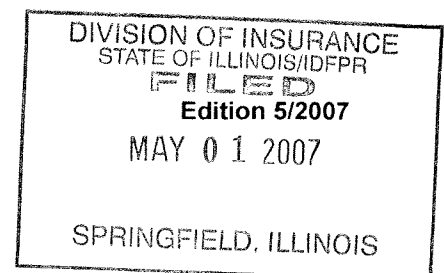
XI. ELIGIBILITY

Rate Tables I and II under Section XVI. of these rules list the categories of service providers that are eligible for coverage.

The following additional eligibility/rating criteria apply to entities:

- 1. Entities with more than 75 full time equivalent employees will be written on a Refer to Company basis.

**ACE AMERICAN INSURANCE COMPANY
ACE INSURANCE COMPANY OF ILLINOIS**



XII. LIMITS OF LIABILITY

A. The rates displayed in Rate Tables I and II under Section XVI. are to be treated as follows:

1. Table I provides Professional Liability rates for all allied health professionals, other than Optometrists and Opticians, for limits of \$1,000,000/\$3,000,000.

The table below provides the Differential Limits Factors used in calculating Professional Liability rates for other optional limits below \$1,000,000/\$3,000,000. For Differential Limits Factors for limits above \$1,000,000/\$3,000,000, refer to company for the factor to be used.

Aggregate	25	100	200	250	500	1,000
75	0.395					
300		0.632				
500				0.752	0.822	
600			0.712			
750				0.758	0.830	
1,000					0.834	0.944
3,000						1.000

2. Table II provides Professional Liability rates for Optometrists and Opticians for limits of \$1,000,000/\$1,000,000.

The table below provides the Differential Limits Factors used in calculating Professional Liability rates for other optional limits up to \$1,000,000/\$3,000,000. For Differential Limits Factors for limits above \$1,000,000/\$3,000,000, refer to company for the factor to be used.

Per Professional Incident (000) / Aggregate	
100 / 300	0.449
200 / 600	0.590
250 / 750	0.638
300 / 800	0.682
400 / 900	0.760
500 / 1,000	0.816
1,000 / 1,000	1.000
1,000 / 2,000	1.010
1,000 / 3,000	1.020

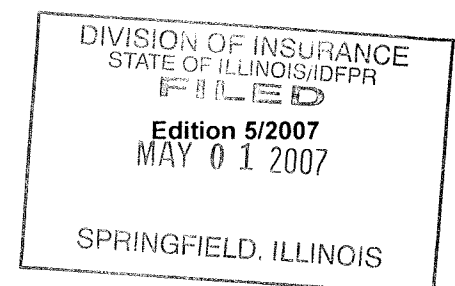
XIII. DEDUCTIBLE

The basic Allied Health Professional Liability policy has no deductible.

For firms or entities, the following deductible options may be selected, and the insured is responsible for the entire amount of each loss up to the selected deductible amount.

Deductible eroded by Indemnity	Factor
\$2,500	.975
\$ 5,000	.950
\$10,000	.925
\$15,000	.900
\$20,000	.875
\$25,000	.850
Over \$25,000	Refer to Company

ACE AMERICAN INSURANCE COMPANY
ACE INSURANCE COMPANY OF ILLINOIS



Deductible eroded by Indemnity and Other Payments	Factor
\$2,500	0.968
\$ 5,000	0.935
\$10,000	0.903
\$15,000	0.870
\$20,000	0.838
\$25,000	0.805
Over \$25,000	Refer to Company

XIV. OPTIONAL COVERAGES

A. Additional Insured

An additional insured may be added to the policy for a charge of \$250, with the exception of certified members of the National Association of Alcoholism and Drug Abuse Counselors (NAADAC) as defined in Note 1 under Rate Table 1 of Section XVI of these rules. For certified members of NAADAC the additional insured charge is \$50. Such additional insureds may include clinics, hospitals, etc., to which the insured may be contracted.

Lessors may be added to the policy as an additional insured at no additional premium. (All other additional insureds must be referred to the Company for underwriting.)

Additional insureds as described in this section will be added on a shared limits basis.

B. General Liability

General Liability is available for an additional premium. The occurrence General Liability premium is calculated at 10% of the mature claims made professional liability premium at the same limit of liability. If the General Liability coverage is provided on a claims made basis then the premium must be calculated as the occurrence premium multiplied by the appropriate step factor. The premium for other limits will be rated on a refer to company basis. Entities (Organizations including Corporations, Partnership, Joint Venture, Trust or Limited Liability Company) are subject to a minimum charge of \$250.

If General Liability coverage is purchased, then Employee Benefits Liability coverage is available at no additional premium.

Insureds that purchase General Liability may obtain coverage for Certified Acts of Terrorism, as defined in the Terrorism Risk Insurance Act of 2002, for an additional premium charge of up to 5% of the otherwise applicable General Liability premium.

C. Non-Owned Automobile Liability

This coverage option is available for entities only. The premium is calculated by multiplying the applicable rate by the total number of employees. The rates for the available limits options (000) are shown in the table below, along with the minimum premiums applicable to this coverage option.

	\$250/\$250	\$500/\$500	\$1,000/\$1,000	\$1,000/\$3,000
Per Employee Charge	\$14	\$16	\$18	\$20
Minimum Premium	\$250	\$500	\$1,000	\$1,000

ACE AMERICAN INSURANCE COMPANY
ACE INSURANCE COMPANY OF ILLINOIS

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
FILED

Edition 5/2007
MAY 01 2007

SPRINGFIELD, ILLINOIS

D. Claims Made Coverage

The following rating procedures apply to professional liability written on a claims made basis:

1. Determine the applicable occurrence premium.
2. Determine the retroactive date. If the date goes back 5 years or more, the Mature Claims-Made Factor from the Claims Made Step Factor table should be applied to the premium developed in 1. above.

Note: The retroactive date may be advanced only at the request of the insured or with the insured's written acknowledgement.

3. If the allied health professional is just entering practice, has been continuously insured under an occurrence policy or if no prior acts coverage is being provided, select the year 1 claims made factor from the Claims Made Step Factor table and apply it to the occurrence premium determined in 1. above.
4. If the allied health professional has been insured under a claims made policy for one or more years immediately preceding the effective date of the policy to be issued, and prior acts coverage is being provided, the following procedure will apply:
 - a. Determine the number of years in which the allied health professional has been insured under a claims made policy;
 - b. The number determined in a. above will be the "prior years of exposure". Fractional years of 6 months or more will be rounded up to the next higher year; less than 6 months will be rounded down to the next lower year.
 - c. The selection from the Claims Made Step Factor table is made by adding one year to the "prior years of exposure" developed in a. and b. above. The additional year is to account for the new policy to be issued.
 - d. The applicable factor in the Claims Made Step Factor table is to be applied to the premium developed in 1. above.

TABLE OF CLAIMS-MADE STEP FACTORS

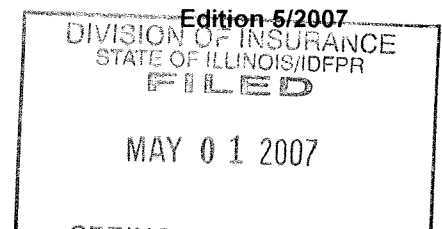
YEARS	STEP FACTORS
YEAR 1	.55
YEAR 2	.69
YEAR 3	.82
YEAR 4	.91
YEAR 5 OR MORE (Mature)	1.00

E. Extended Reporting Period Coverage

An extended reporting period may be provided for up to an unlimited basis, subject to the following:

1. Except as described in 6. below, the extended reporting period is available only if the policy is cancelled or nonrenewed by either the company or the insured.
2. The insured must notify us in writing of his or her election of the extended reporting period within 60 days of the effective date of termination of the policy.
3. Any earned premium due on the policy and the premium for the extended reporting period must be paid in full before the extended reporting period will be effective.

**ACE AMERICAN INSURANCE COMPANY
ACE INSURANCE COMPANY OF ILLINOIS**



4. The entire premium for the extended reporting period will be deemed earned when the extended reporting period begins.
5. The premium for the extended reporting period will be developed by applying the appropriate factor from the table below to the mature claims made premium for Coverage A otherwise developed for the risk based on the rates and rules in effect on the date the policy was last renewed or last issued:

Claims-Made Year	Length of ERP (Years)				
	If Claims made GL coverage is included only the 5 year or unlimited period is allowable.				
	1	2	3	5	Unlimited
1	0.278	0.428	0.533	0.556	0.579
2	0.424	0.676	0.824	0.847	0.870
3	0.539	0.843	0.995	1.019	1.042
4+	0.602	0.915	1.071	1.095	1.119

6. The premium for the extended reporting period will be waived if the insured is an individual and:
 - i. Dies or becomes totally and permanently disabled during the policy period; or
 - ii. Retires, if at least age 55 and insured for professional liability by us for 5 or more continuous years.

If the insured returns to the practice of his or her professional services after retirement or after a period of total and permanent disability and after the issuance of the extended reporting period Endorsement and premium waiver, the extended endorsement will be cancelled unless the insured contacts us within 30 days to request an extended reporting period without waiver of premium and pays the appropriate extended reporting period premium developed from the rates, rules and rating plans in effect for us at the time of the insured's retirement or disability.

7. The Professional liability extended reporting period does not increase or reinstate the limits of liability. If General Liability Coverage is also required for the extended reporting period, then reinstatement must be provided.

F. Leave of Absence

Subject to Company underwriting approval, coverage under an in-force policy may be suspended for a period of not less than 30 days, and not more than six months. This suspension may be made without premium adjustment. The expiration of the policy is extended by the same length of time that the policy was suspended. This feature can be used for a parental leave, medical leave, military call-up to active duty, or a sabbatical.

XV. PREMIUM CALCULATION RULES

A. Base Rates.

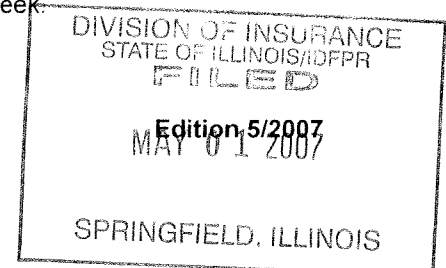
The premium for this policy is calculated on a "per professional" basis. The base rates will be applied in accordance with the allied health professional specialty as shown in Tables I and II of Section XVI. If two or more classifications apply to the same professional, the highest rated classification is to be used.

B. Base Rate Adjustments.

1. Part Time. A part-time base rate adjustment factor of .50 will apply to any individual allied health professional who is self-employed and works 16 hours or less per week.

C. Surcharges

**ACE AMERICAN INSURANCE COMPANY
ACE INSURANCE COMPANY OF ILLINOIS**



Category	Surcharge
Supplemental Staffing	A surcharge of up to 25% will apply to entities or individuals engaged in supplemental staffing.
Registry	A registry surcharge of up to 25% will apply to entities or individuals that do registry services.
Background Check	A surcharge of up to 10% will apply to entities or individuals not performing background checks on their employees and independent contractors.
Nursing Homes / Assisted Living Centers / Long Term Care Facilities / Prisons	A surcharge of up to 25% will apply to entities or individuals that do staffing of Nursing Home Facilities, Assisted Living Centers, Long Term Care Facilities, or Prisons.
High Tech / Critical Care	A surcharge of up to 25% will apply to entities or individuals engaged in high tech / critical care services, including Surgical, Pediatric, Infusion Therapy, and Tracheotomy/Ventilator Care.

The surcharges shown above are additive if more than one applies, subject to a maximum surcharge of 65%.

D. Full Time Equivalent (FTE).

For all types of risks other than individuals and students, calculate the number of applicable FTEs as follows:

In accordance with the professional rate classifications, sum the total annual hours worked for each classification. Divide each of these totals by classification by 2000 hours (one Full Time Equivalent) to establish the number of FTE slots to be charged for each classification. Fractions of FTE slots per applicable classification grouping will be rounded up to the next highest FTE.

E. Schedule Rating

The schedule rating credit or debit will be equal to the sum of the selected credits or debits given for each of the individual risk characteristics shown in the table below, subject to a maximum credit or debit of 25%.

Characteristic	Max Credit	Max Debit
Claims History	25%	25%
Risk Management	20%	20%
Nature of Operations	15%	15%

F. Territorial Multiplier

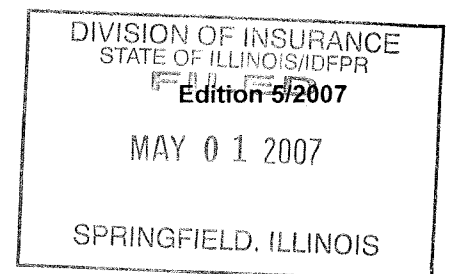
Apply the territorial multiplier shown in the state exception pages. Select the territorial multiplier associated with the territory in which the individual works.

G. Entity Rating Factor

An entity rating factor of up to 1.20 will apply to all entities (Organizations including Corporations, Partnership, Joint Venture, Trust or Limited Liability Company) in addition to any other rating factors that apply, subject to a minimum charge of \$1,000. This rating rule is applied after the application of the increased limits factor but before any other rating factors. This rating rule also applies to student blanket policies.

H. Internet Discount

**ACE AMERICAN INSURANCE COMPANY
ACE INSURANCE COMPANY OF ILLINOIS**



A 5% credit shall be applied to policies marketed through electronic commerce distribution channels.

XVI. Rates

Table I

Professional Classification	Professional Rate	Student Rate
Addiction Counselor (NAADAC Program) (1)	199	25
Addiction Counselor (Non-NAADAC) (2)	433	25
Addiction Interventionist	577	N/A
Administrative/Clerical	130	43
All other Aide, Assistant, or Technician	311	104
Art, Music, Dance, Pet, and Recreation Therapist (2)	311	N/A
Audiologist	311	104
Auricular & Full Body Acupuncture Therapy and Counseling	866	286
Auricular Acupuncture Therapy and Counseling	433	143
Behavioral Analyst	433	25
Blood Bank Technician	311	104
Cardiology Technician	311	104
Case Workers and Case Manager (2)	433	144
Certified Employee Assistance Professional	333	25
Certified Tech./ Assistant	311	104
Companion	150	50
Cytotechnologist	311	104
Dental Assistant	130	43
Dental Hygienist	311	104
Dialysis Technician	311	104
Dietician/Nutritionist	311	104
EKG/EEG Technician	311	104
Health Educator (2)	311	104
Home Health Aide	200	67
Homemaker	150	50
Intern Mental Health/Addiction Counselor	311	NA
Lab Technician	311	104
Licensed or Certified Mental Health Counselor (2)	433	25
LPN	311	104
Marriage and Family Therapists/Counselor (2)	433	25
Massage Therapist	577	192
Medical Office Assistant	130	43
Medical Records Technician	311	104
Medical Technologist	311	104
MRI Technician	311	104
Nurse Aide	180	60
Nurse Practitioner	1250	417
Nurse/RN	350	117
Occupational Therapist	400	133
Paramedics/EMTs (Eligible for Students Only)	N/A	200
Pastoral Counselor	433	N/A
Pathology Assistant	311	104
Patient Intake Technician	130	N/A
Personal Coach	433	N/A
Pharmacist (Mail Order, Nuclear)	750	250
Pharmacist (Non-Mail Order – Non-Nuclear)	600	200

**ACE AMERICAN INSURANCE COMPANY
ACE INSURANCE COMPANY OF ILLINOIS**

Edition 5/2007

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
FILED

MAY 01 2007

Professional Classification	Professional Rate	Student Rate
Pharmacy Assistant	200	67
Pharmacy Technician (Dispensing)	300	100
Phlebotomist	311	104
Physical Therapist	577	192
Physician's Assistant	N/A	667
Psychological Assistant (Masters Degree) (2)	577	N/A
Psychologist (Bachelors or Masters Degree) (2)	1250	N/A
Psychologist (Doctorate Degree)	1250	Post Doctoral 311
Radiological Technologist	311	104
Rehabilitation Counselor/Therapist	433	25
Rehabilitation Counselor/Therapist Assistant	311	N/A
Respiratory Assistant	311	104
Respiratory Therapist	600	200
Social Worker (2)	433	25
Speech Therapist (2)	400	133
Surgical Assistant	N/A	667
Surgical Technologist	311	104
Surgical Technologist/First Assistant	311	104
Ultrasound Technician	311	104
Utilization Review Technician (2)	433	N/A
Volunteer	130	N/A
Wellness Counselor (2)	433	25
X-Ray Machine Operator/Technician	311	104

Note 1.

Certified Members of the National Association of Alcoholism and Drug Abuse Counselors (NAADAC) are to be written in conjunction with the Behavioral Health Purchasing Group with the rate shown in Table I for limits of \$ 1,000,000 Per Professional Incident / \$ 3,000,000 Aggregate. This rate contemplates coverage for individuals who have been NCAC certified as members of NAADAC. The only Optional Coverages under Section XIV offered for these members are the Entity Coverage Extension, the Additional Insured Endorsement and Claims Made Coverage.

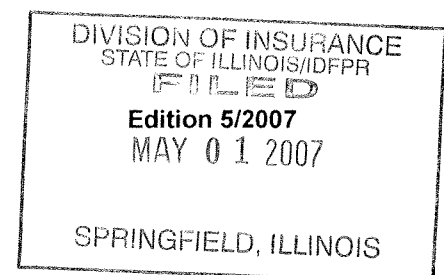
Note 2.

A credit of 50% applies to individuals who receive primary professional liability coverage from their employer.

Table II

Allied Health Professional Liability Rate Table – Optometrists/Opticians		
Basic Limits - \$1,000,000 / \$1,000,000		
Professional Classification	Professional Rate	Student Rate
Optometrists	416	139
Opticians	293	98

**ACE AMERICAN INSURANCE COMPANY
ACE INSURANCE COMPANY OF ILLINOIS**



State Exceptions. Selected countrywide rules are amended as described below:

I. Under Rule XV. PREMIUM CALCULATION RULES, Rule F., the following Territorial Multiplier applies:

Territory Definitions	Multiplier
1 – Cook County	1.40
2 – Counties of Dupage, Lake and Will	1.20
3 – Remainder of State	1.00

II. The following rule has been added

PREMIUM PAYMENT INSTALLMENTS

The following installment premium payment plan shall be offered at no additional cost to the insured:

- a. an initial payment equal to 25% of the premium due at policy inception;
- b. a second payment equal to 25% of the premium due 3 months from policy inception;
- c. a third payment equal to 25% of the premium due 6 months from policy inception; and
- d. a fourth payment equal to 25% of the premium due 9 months from the policy inception.

Additional premium resulting from changes to the policy shall be spread over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy shall be billed immediately as a separate transaction.

Quarterly installment premium payment plans shall be included in the initial offer of the policy, or in the first policy renewal policy occurring after January 1, 2006. Thereafter, the insurer is not required to re-offer such payment plan, but if an insured requests such payment plan at a later date, the insurer must make it available.

**ACE AMERICAN INSURANCE COMPANY
ACE INSURANCE COMPANY OF ILLINOIS**

**DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
FILED**

**Edition 05/2007
MAY 01 2007**

SPRINGFIELD, ILLINOIS

ADVANTAGE SERIES

STATE RATE PAGES

ILLINOIS

#7. Liability Rates:

a. Classifications:

<u>Code</u>	<u>Description</u>
809232	Skilled care services-for profit
809242	Skilled care services-not for profit
809233	Intermediate care services-for profit
809243	Intermediate care services-not for profit
809234	Personal care services-for profit
809244	Personal care services-not for profit
809235	Independent living services-for profit
809245	Independent living services-not for profit
809231	Subacute care services-for profit
809241	Subacute care services-not for profit

Definitions:

Skilled Care - Inpatient nursing services to residents requiring continuous medical and nursing care, but not hospital services, with more than 75% of the residents over 65. Included are services certified as "skilled nursing" under the Medicare program.

Intermediate Care - Inpatient nursing services to residents, but not on a continuous basis, with more than 75% of the residents over 65.

Personal Care - Some nursing and/or health related care to residents who do not require the degree of care and treatment described as skilled or intermediate. Residents may require some minor nursing care or help in activities such as washing, eating, bathing, dressing, walking, taking of medication, and preparation of special diets. More than 75% of the residents are over 65.

Independent Living - Retirement communities where residents live in apartments. Nursing or personal care is provided on an incidental or emergency basis only.

Sub-acute Care Services - Inpatient nursing services provided immediately after or in place of acute hospitalization for the treatment of one or more current, complex, but stable medical conditions requiring the specialized and intensive services of physicians, registered nurses, and other relevant professional staff trained and knowledgeable in the required treatments. Ages of the patients will vary and are not limited to 65 and over.

b. Bed Rates:

General Liability/Professional Liability territorial rates apply per bed/independent living unit and reflect basic limits as follows:

\$300,000 General Aggregate Limit
 \$300,000 Products Completed Operations Aggregate Limit
 \$100,000 Personal and Advertising Injury Limit
 \$100,000 Each Occurrence Limit
 \$ 50,000 Property Damage to Rented Premises Limit
 \$ 10,000 Medical Expense Limit
 \$300,000 Professional Incidents Aggregate Limit
 \$100,000 Each Professional Incident Limit

#Insurance Company of North America
 Pacific Employers Insurance Company
 CIGNA Insurance Company
CIGNA Insurance Company of Illinois

TERRITORY	SKILLED		INTERMEDIATE		PERSONAL		INDEPENDENT LIVING UNIT		SUBACUTE	
	809232	809242	809233	809243	809234	809244	809235	809245	809231	809241
1	209.62	199.14	90.70	86.17	53.10	50.44	53.10	50.44	309.19	293.73
4	190.56	181.03	82.46	78.33	48.27	45.86	48.27	45.86	281.08	267.02
6	209.62	199.14	90.70	86.17	53.10	50.44	53.10	50.44	309.19	293.73
7	209.62	199.14	90.70	86.17	53.10	50.44	53.10	50.44	309.19	293.73
8	186.09	176.79	80.53	76.50	47.14	44.78	47.14	44.78	274.48	260.77
9	204.71	194.48	88.57	84.15	51.86	49.26	51.86	49.26	301.95	286.86
14	186.09	176.79	80.53	76.50	47.14	44.78	47.14	44.78	274.48	260.77

CIGNA Property & Casualty Companies

ADVANTAGE SERIES

STATE RATE PAGES

ILLINOIS

#CIGNA Fire Underwriters Insurance Company
Bankers Standard Insurance Company

TERRITORY	SKILLED		INTERMEDIATE		PERSONAL		INDEPENDENT LIVING UNIT		SUBACUTE	
	<u>809232</u>	<u>809242</u>	<u>809233</u>	<u>809243</u>	<u>809234</u>	<u>809244</u>	<u>809235</u>	<u>809245</u>	<u>809231</u>	<u>809241</u>
1	167.69	159.31	72.56	68.94	42.48	40.36	42.48	40.36	247.34	234.98
4	152.45	144.83	65.96	62.67	38.62	36.69	38.62	36.69	224.86	213.62
6	167.69	159.31	72.56	68.94	42.48	40.36	42.48	40.36	247.34	234.98
7	167.69	159.31	72.56	68.94	42.48	40.36	42.48	40.36	247.34	234.98
8	148.88	141.43	64.42	61.20	37.71	35.82	37.71	35.82	219.60	208.61
9	163.76	155.58	70.87	67.31	41.49	39.41	41.49	39.41	241.55	229.48
14	148.88	141.43	64.42	61.20	37.71	35.82	37.71	35.82	219.60	208.61

For Increased Limits, use the table below:

ALL CLASSES

100/300	1.000
500/1000	1.341
1000/1000	1.493
1000/2000	1.507
1000/3000	1.522
2000/6000	1.725
3000/9000	1.870

Minimum premium per location: 10 times the total Bed/Independent Living Unit Rate.

Schools/Colleges

- These endorsements are optional and apply to schools and colleges. Refer to the appropriate endorsement for the additional coverages provided.
 - o Special Extensions of Property Coverage Public Schools \$400
 - o Special Extensions of Property Coverage Private Schools \$500
 - o Special Extensions of Property Coverage Colleges and Universities \$500
 - o Special Extensions of Property Coverage All Other Educational Institutions \$400

REHABILITATION CENTERS

The general rules and rates are changed as follows for Insurance Company of North America, CIGNA Insurance Company, CIGNA Fire Underwriters Insurance Company and CIGNA Insurance Company of Illinois only:

1. General Liability

Rules

The general rules apply except as noted. Use endorsement LD- 9T41, the Rehabilitation Facilities Endorsement to provide coverage.

CHIROPRACTORS PROFESSIONAL LIABILITY COVERAGE

Underwriting & Rating Rules - Illinois

I. APPLICATION OF MANUAL RULES

- A. The rules contained in these pages will govern the writing of Professional Liability policies for Chiropractors.
- B. The rates, rating plans and forms filed on behalf of the Company will govern in all cases not specifically provided for by these manual rules.

II. POLICY TERM

Policies may be written for a term of one year, and renewed annually thereafter.

III. PREMIUM COMPUTATION

- A. Compute the premium at policy inception using rules, rates and rating plans in effect at that time.
- B. Prorate the premium when a policy is issued for other than a whole year.
- C. Premiums are calculated as specified for the respective coverage. The final premium will be rounded in accordance with the whole dollar rule.

IV. FACTORS OR MULTIPLIERS

Whenever applicable, factors or multipliers are to be applied consecutively and not added together.

V. POLICY WRITING MINIMUM PREMIUM

No minimum premium amounts apply to this coverage.

VI. WHOLE DOLLAR RULE

The premium for each peril, coverage or exposure for which a separate premium is calculated will be rounded to the nearest whole dollar as follows:

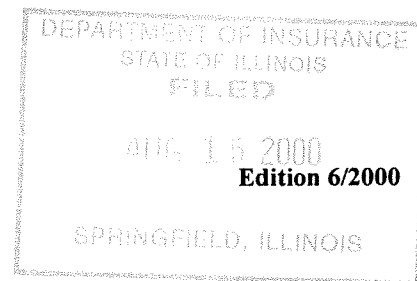
- A. Any amount involving \$.50 or over will be rounded to the next highest whole dollar amount;
- B. Any amount involving \$.49 or less will be rounded to the next lowest whole dollar amount.

VII. ADDITIONAL PREMIUM CHARGES

- A. Prorate all changes involving an additional premium.
- B. Apply the rates and rules that were in effect at the inception date of the policy period. After computing the additional premium, charge the amount applicable from the effective date of the change.
- C. Waive additional premiums of \$15 or less. This waiver only applies to cash exchange due on the effective date of change endorsements.

Revised

ACE American Insurance Company
ACE Insurance Company of Illinois



VIII. RETURN PREMIUM

A. Deletion of any coverage under this professional liability policy is not permitted. The entire policy must be canceled if coverage is not desired.

B. Compute return premiums at the rates used to calculate the premium at policy inception.

C. Compute return premium pro rata and round in accordance with the Whole Dollar Rule when any coverage or exposure is deleted or an amount of insurance is reduced.

D. Waive return premiums of \$5 or less. Grant any return premium due the insured if requested. This waiver only applies to cash exchange due on the effective date of change endorsements.

IX. COVERAGE

This coverage may be written on an Occurrence or Claims-Made basis. For details of coverage, please refer to the Chiropractors Occurrence Professional Liability Policy or the Chiropractors Claims-Made Professional Liability Policy. Both Coverage Forms include: 1. Medical Expense Coverage; 2. Medical Waste Legal Expense Reimbursement; and, 3. Disciplinary Defense Coverage. Disciplinary Defense Coverage may be deleted for a reduced premium; refer to Rule XIV. for further information.

X. LIMITS OF LIABILITY

Manual rates provide a basic limit of \$100,000 Each Claim and \$300,000 Aggregate. The standard coverage provides for a separate limit to apply to each insured chiropractor or chiropractic entity. Employees share in the limit of either the insured chiropractor or chiropractic entity (See Section IV. for specific treatment by employee type).

Maximum limit offered is \$3 million/\$3 million. Refer to Policy Limit Factor Table for applicable factors to be applied.

XI. CLASSIFICATIONS (SEE ADDENDUM A FOR MORE COMPLETE DESCRIPTIONS)**Class I Straight Chiropractors**

Straight Chiropractic consists of analyzing and adjusting vertebral subluxation (Adjustment to the spinal column). Straight Chiropractors do not engage in the medical procedure of diagnosing and treatment of disease by medical methods. Therefore they represent the lowest risk of Chiropractor.

Class II Modified Straight Chiropractors

Modified straights are also a lower risk category. However, they do engage in some higher tech modalities that a straight chiropractor will not use, such as low voltage stimulation, ultrasound and hydrotherapy. Like straight chiropractors, they do not engage in the medical procedure of diagnosing and treatment of disease by medical methods.

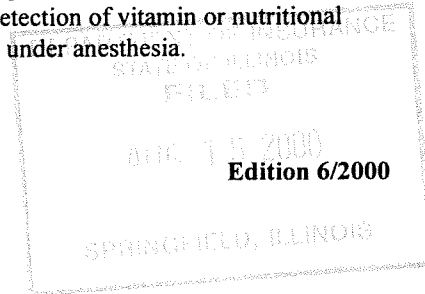
Class III Mixer Chiropractors

Mixers encompass all of the elements of the straight practices as well as using modalities for treatment and to cure diseases rather than simply as aids or enhancements to vertebral subluxation adjustments. Such modalities may include more advanced neurologic or orthopedic exams for screening purposes such as EMG or EKG. They may also draw blood and perform urinalysis for the detection of vitamin or nutritional deficiencies and under certain circumstances, they may perform manipulation under anesthesia.

Revised

ACE American Insurance Company
ACE Insurance Company of Illinois

Edition 6/2000



Class IV Liberal Mixer Chiropractor

Liberal Mixers present a greater risk because patient expectations are elevated to expect a "cure" and they are much more likely to incur "failure to diagnose" claims in their role as a primary healthcare provider. This Chiropractor class uses medical testing procedures for the purposes of diagnosing and treating disease, in addition to performing vertebral subluxation.

Class V Interns, Externs and/or Postceptors**XII. ANCILLARY PERSONNEL**

Whenever the following licensed personnel are employed by an insured chiropractor or chiropractic entity, the individual will share in the supervising chiropractor's limit or the chiropractic entity's limit. No additional premium will be assessed for the following providers:

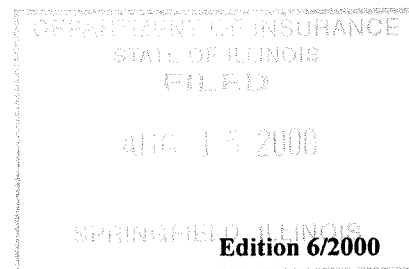
1. Nurse
2. Nurses Aide
3. Dietician/Nutritionist
4. Chiropractic Assistant/Technician
5. Students(Pre or Postceptees)

Whenever the following health care providers are employed by an insured chiropractor or chiropractic entity, the provider shall share the chiropractor's limit of liability or the chiropractic entity's limit, however there will be a premium charge for each. The factors to be used are identified below and are to be applied to the applicable chiropractor's policy premium:

<u>Provider</u>	<u>Factor</u>
Acupuncturist	.108
EEG/EKG Technician	.033
Laboratory Supervisor	.049
Massage Therapist	.322
Medical Technician	.033
Medical Office Assistant	.033
Occup. Therap. Aide/Ass't	.033
Occupational Therapist	.291
Paramedic/E.M.T	.322
Physical Therap. Aide/Ass't	.033
Physical Therapist	.289
Physician's Assistant	.493
Physicist/Biologist	.414
Social Worker	.108
X-Ray Technician	.033

Example: Assume an Occurrence Policy Class 2 chiropractor in Territory I with one employed physical therapist, one employed acupuncturist and one employed nurse at limits of \$1 Million/\$1 Million:

Chiropractor Premium	= \$4,896
Physical Therapist Premium	= \$1,415 (\$4,896 x .289)
Acupuncturist Premium	= \$ 529 (\$4,896 x .108)
Nurse Premium	= \$ 0
Total Premium	= \$6,840



Revised

ACE American Insurance Company
ACE Insurance Company of Illinois

Edition 6/2000

XIII. OCCURRENCE RATING PROCEDURES

- A. Each individual Chiropractor receives a premium charge which is determined by reviewing the individual's application and matching indicated procedures to one of the classifications defined above. 1,000,000/\$1,000,000 limit rates are then selected from **Table II - State Rates** by finding the applicable Class and Territory.
- B. If different policy limits are needed, simply select the desired policy limit and apply the corresponding policy limit factor from **Table III - Policy Limit Factor** to the \$1,000,000/\$1,000,000 limit premium displayed in the State Rate Table.

Example: Assume Occurrence Coverage limits of \$500,000/\$1,000,000 are needed for a Class II Chiropractor in Territory 1 (No ratable employees).

Step 1: Select Class II rates in applicable territory from the \$1,000,000/\$1,000,000 State Rate Table;

Step 2: Select the \$500,000/\$1,000,000 Policy Limit Factor;

Step 3: Multiply the rate selected in step one times the applicable policy limit factor to produce the unmodified standard premium.

- C. Credits or Debits are to be applied, if applicable. (See **XV. Deductibles**, **XVI. Premium Modifications**).

Using the same example as in B. above, further assume that a deductible of \$10,000 is desired and that a 5% credit for a written patient safety policy applies:

Step 1: Multiply the \$1,000,000/\$1,000,000 unmodified standard premium developed in above step 3 times .925 (reciprocal of .075, the deductible credit);

Step 2: Multiply the premium developed in above step times .95 to reflect the 5% credit for the written patient safety policy and to produce the final modified Policy Premium.

XIV. ADDITIONAL CLASSIFICATIONS/CHARGES/DISCOUNTS**Defense Coverage Amendatory Endorsement – PF-9W86**

Disciplinary Defense Coverage is included in the Chiropractors policy with limits of \$2,500 Per Proceeding and \$5,000 Annual Aggregate. This coverage enhancement is optional and may be eliminated by request for a reduction in premium of \$250.

Other Employees

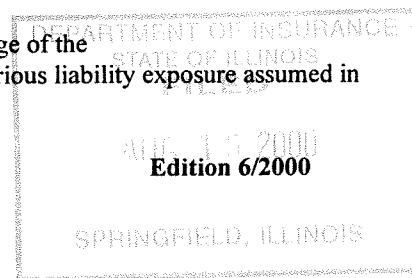
Employees of individual Chiropractors and Chiropractor partners, except for other Chiropractors or other health care providers (See Section **XII**, page 3 of these rules), are covered under the policy issued to the individual or partners at no additional charge. Such employees are not covered when acting on their own outside of their employment by the insured Chiropractor.

Independent Contractors – Additional Insured-Vicarious Liability, PF-608599

1099 form independent contractors who carry their own professional liability insurance may be added but must be listed on the policy and certify coverage of at least equal limits from an insurance carrier with at least an A.M. Best rating of B+. A 10% charge of the applicable professional liability rate at policy limits will be charged to cover the vicarious liability exposure assumed in such arrangement.

Revised

ACE American Insurance Company
ACE Insurance Company of Illinois



Locum Tenens - PF-3W63

A Locum Tenens Endorsement may be provided for non-insured chiropractors that temporarily replace an insured chiropractor for a period up to 60 days each policy year. The Locum Tenens will share in the insured chiropractor's limit of liability. As a result, there will be no additional premium charge.

Blanket Coverage – PF-609490

All students, faculty, teaching chiropractors and graduate students in a single School of Chiropractic may be written under one Blanket Policy if application is made and the School assumes responsibility for coordination of premium payment and claims reporting. All individuals covered under this blanket option must carry the same limit. A separate limit applies to each individual named on the policy. Because of administrative savings realized in the inclusion of everyone under one policy, a 15% credit is applied to the professional liability premium under the Blanket Coverage option. The charge for this option is as follows:

	<u>\$1,000,000/\$1,000,000 Limit</u>
Blanket Rate per Student*	\$120.00

*Blanket student rate includes Chiropractor faculty members who instruct students insured under the Blanket policy.

The School, College or University may be added as an **Additional Insured** per PF-609491 for 25% of the Total Student Premium, subject to a minimum premium of \$100.00.

Corporation/Partnership

Corporation/Partnership coverage can be added with separate limits for an additional premium of 10% of the total professional liability premium of all insured Chiropractors. There is no premium charge for adding the Corporation/Partnership on a shared limit basis.

Additional Insureds – PF-3X27 or PF-3X26 (Arizona)

Additional Insureds may be added for a premium charge of 5% of the total professional liability premium, except for Landlords who may be added for a flat charge of \$15.

Disability and Leave of Absence – PF-4U38a

An insured individual chiropractor who becomes disabled, or is on leave of absence for a period of 45 days or more, but less than 180 days, may be eligible for restricted coverage at a reduced rate of 75% of the applicable full time rate for the period of disability or leave of absence. Leave of absence may include professional education, but does not include vacation.

Acupuncture Coverage Endorsement – PF-609494

Amends policy exclusion to allow for needle acupuncture, subject to underwriting, which includes the training, history and experience of the practitioner. There is no additional charge for attaching this endorsement.

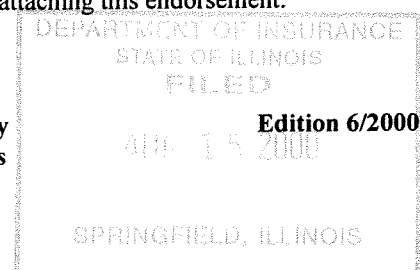
Manipulation Under Anesthesia – PF-609493

Deletes the policy exclusion to allow for manipulation under anesthesia, subject to underwriting, which includes the training, history and experience of the practitioner. There is no charge for attaching this endorsement.

Revised

ACE American Insurance Company
ACE Insurance Company of Illinois

Edition 6/2000



New Practitioner Discounts

License Date: Use the license date as the reference date to be eligible for discounts. The license date is defined as the first date the chiropractor is eligible to practice chiropractic. We only use one date as the license date to reference discounts. The license date used to reference discounts is the first time a chiropractor ever becomes licensed to practice.

1. First Year Licensure Discount

Chiropractors who become licensed and are eligible to practice chiropractic for the first time shall be given a first year licensure discount of 75% of the filed and approved base premium. The insured's first licensure date must fall within 18 months of the insured's graduation date. The discount applies only to the first year of coverage with this company.

2. Second Year Licensure Discount

Chiropractors in their second year of practice after becoming licensed for the first time shall be given a second year licensure discount of 40% of the filed and approved base premium. The insured's first licensure date must fall within 30 months of the insured's graduation date. This discount applies only to the second year of coverage with this company.

3. Third Year Licensure Discount

Chiropractors in their third year of practice after becoming licensed for the first time shall be given a third year licensure discount of 25% of the filed and approved base premium. The insured's first licensure date must fall within 42 months of the insured's graduation date. This discount applies only to the third year of coverage with this company.

4. Fourth Year Licensure Discount

Chiropractors in their fourth year of practice after becoming licensed for the first time shall be given a fourth year licensure discount of 15% of the filed and approved base premium. The insured's first licensure date must fall within 54 months of the insured's graduation date. This discount applies only to the fourth year of coverage with this company.

XV. DEDUCTIBLES

The basic chiropractor policy has no deductible and manual rates displayed in the rate table include no deductible provision. However, the following deductibles may be selected and manual rates credited as follows:

<u>Deductible</u>	<u>Credit</u>
\$5000	5.0%
\$10,000	7.5%
\$15,000	10.0%

XVI. PREMIUM MODIFICATIONS

A. The manual rates will be modified when applicable by the following Credits:

<u>Description</u>	<u>Credit</u>
1. Inter/Extern practice under 20 hours per week	50%
2. Part-time Chiropractors (less than 20 Hrs per wk)	50%
3. Part-time Chiropractors (less than 10 Hrs per wk)	75%

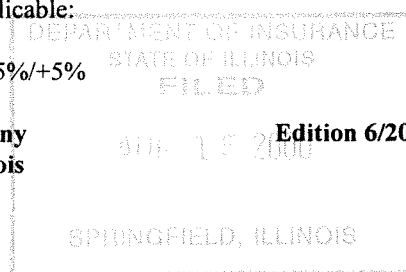
B. The following premium modifications will be applied when applicable:

1. Written Patient Safety Policy/Practice Standards -5%/+5%

Revised

ACE American Insurance Company
ACE Insurance Company of Illinois

Edition 6/2000



2.	Utilization of "Terms of Acceptance" forms	-5%/+5%
3.	Risk Management Seminar attendance in last year	-10%/+10%
4.	Longevity + Loss Free:	
	<u>No Claims or Incidents in the past:</u>	<u>Credit</u>
	1 to 2 years	0%
	2 to 3 years	5%
	3 to 4 years	10%
	4 years or more	15%

C. Group Practice - Apply the following "Size of Practice" credit as follows:

<u>Practice Size*</u>	<u>Premium Credit</u>
3 - 5	4%
6 - 10	6%
11 - 15	8%
16 - 20	10%
20 and over	15%

*NOTE: Practice Size means the total number of ratable professional headcount (owners and employees) and does not include independent contractors.

Maximum Discounts Available

The maximum risk management and claims free discounts that can be obtained are 40%. However, the maximum risk management and claims free discounts available for any one insured who is also receiving a premium discount will be the actual risk management and claims free discounts (up to 40%) multiplied by percentage of discounted premium paid by the policyholder.

#XVII. SUPPLEMENTAL PROFESSIONAL LIABILITY MODIFICATIONS

A. Schedule rating

Based upon the following individual risk characteristics, the maximum credit or debit produced will not exceed 25%:

	<u>Credit</u>	<u>Debit</u>
1. Procedure mix	0 to 10%	0 to 10%

Applicable to those whose procedures or practices are primarily concentrated in areas other than their practice classification/specialty.

2. Exposure Modification	0 to 10%	0 to 10%
--------------------------	----------	----------

Applicable to those whose practice or coverage has been modified to reflect an increased or decreased exposure.

3. Unusual Risk Characteristics	0 to 10%	0 to 10%
---------------------------------	----------	----------

B. Loss control education

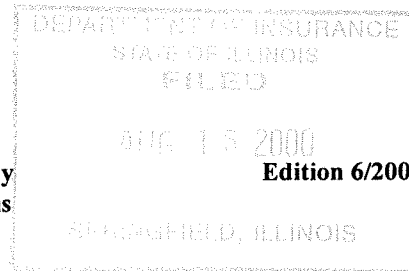
5 to 10%

A credit will be applied to each Chiropractor who attends a Company approved loss prevention workshop. This credit will be applied for 3 consecutive years.

Revised

ACE American Insurance Company
ACE Insurance Company of Illinois

Edition 6/2000



C. Experience Rating

----- 0 to 75%

Based upon the claim history of an individual chiropractor over a preceding 5 year period, a debit not to exceed 75% may be applied to the chiropractor's rate for the first subsequent policy period. Criteria used to determine the application of such debits for the preceding 5 year claim history will include:

- Number of claims
- Incurred losses
- Paid losses
- Cause of reported losses

Debits are to be applied on a one year basis and then reviewed annually for subsequent applicability using the same criteria above.

XVIII. EXPENSE MODIFICATION

The policy premium contemplates standard allowances for expense. If expense varies from standard, the premium may be modified to reflect this difference.

XIX. OCCURRENCE RATES

Occurrence Rates are displayed in **TABLE II** at limits of \$1,000,000 Each Claim/\$1,000,000 Aggregate. Policy Limit Factors for other available limit options may be determined by multiplying the applicable Policy Limit Factor from **TABLE III** in section **XIV**.

XX. CLAIMS-MADE PRIOR ACTS COVERAGE

Including PF-1U24 or PF-2U79 (New York) may extend the occurrence policy to provide prior acts coverage to those whose most recent coverage has been Claims-Made,.

If the individual Chiropractor has been insured under a claims-made policy and desires to purchase "Prior Acts" coverage from ACE American Insurance Company in lieu of buying Extended Reporting Period coverage from the prior insurer, the Prior Acts Premium will be charged in addition to the Occurrence Policy Premium. To obtain the Occurrence Policy Premium with Prior Acts Coverage, the following steps should be followed:

1. Determine the applicable occurrence premium from the State Rate Table;
2. Select the applicable Prior Acts Factor from the following table and apply to the occurrence premium selected in step 1 above:

Prior Acts Period	Factor
1 Year	.70
2 Years	1.10
3 Years	1.30
4 or More Yrs..	1.40

Revised

ACE American Insurance Company
ACE Insurance Company of Illinois

Edition 6/2000
SPRINGFIELD, ILLINOIS

DEPARTMENT OF INSURANCE
STATE OF ILLINOIS
FILED
APR 15 2000

3. Add the occurrence premium selected in step 1 to the premium developed in step 2. This total premium is the "Occurrence Policy Premium with Prior Acts Coverage."

XXI. CLAIMS-MADE RATING PROCEDURES

If coverage is to be written on a "Claims-Made" basis, the following rating procedures are to be followed:

- A. Applicable Occurrence premium rates are to be determined for the applicable Class and Limit (See **XIII. Occurrence Rating Procedures**).
- B. Determine retroactive date from application. If the date goes back 5 years or more, the Mature Claims-Made Factor from **TABLE I** should be applied to the premium developed in Step 1.
- C. If the Chiropractor is just entering practice, has been continuously insured under an occurrence policy, or if Prior Acts Coverage is not being provided, select Year 1 Claims-Made Factor in **TABLE I** and apply it to the Occurrence premium determined in Step 1.
- D. If the Chiropractor has been insured under a Claims-Made policy for one or more years immediately preceding the effective date of the policy to be issued, and Prior Acts Coverage is being provided, the following procedure will apply:
 1. Determine the number of years in which the Chiropractor has been insured under a Claims-Made policy;
 2. The number determined in step 1 will be the "Prior years of exposure". Fractional years of 6 months or more will be rounded up to the next higher year; less than 6 months will be rounded down to the next lower year.
 3. The selection from **TABLE I** is made by adding one year to the "prior years of exposure developed in above steps. The additional year is to account for the new policy to be issued.
 4. The applicable factor in **TABLE I** are to be applied to the premium developed in step 1.

TABLE I

CLAIMS-MADE STEP FACTORS

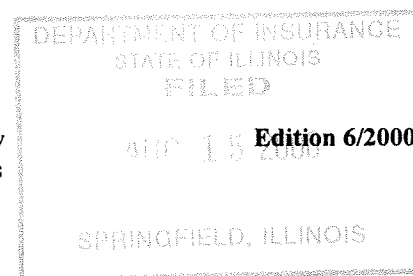
YEARS	STEP FACTORS
YEAR 1	.35
YEAR 2	.60
YEAR 3	.85
YEAR 4	.90
YEAR 5 OR MORE (Mature)	.95

XXII. EXTENDED REPORTING PERIOD COVERAGE

- A. Basic Extended Reporting Period

Revised

ACE American Insurance Company
ACE Insurance Company of Illinois



A "Basic Extended Reporting Period" is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 60 days. This automatic extension will provide an additional period of time in which to report claims to the Company that arise from "chiropractic incidents" that take place subsequent to the Retroactive Date and before the end of the policy period.

The "Basic Extended Reporting Period" does not apply to claims that are covered under any other insurance purchased after the expiration of our policy, or to claims that would have been covered but for the exhaustion of any subsequently purchased insurance applicable to such claims.

B. Supplemental Extended Reporting Period, PF-5X84a

The "Supplemental Extended Reporting Period" is unlimited and its availability will be governed by the following rules:

1. The Limits of Liability may not exceed those afforded under the terminating claims-made policy;
2. "Supplemental Extended Reporting Period" coverage will be available to

Named Insureds shown on the Declarations Page of the terminating policy. Should an insured terminate association with an entity, coverage will also be offered to the entity, provided that the entity was also insured by the Company.

3. Upon termination of the claims-made policy, all named insureds shown on the Declarations Page may purchase this coverage by giving the Company written notice of intent to purchase within 60 days following the termination date of their claims-made policy, and paying the applicable premium.
4. Upon termination of coverage of the claims-made policy by reason of death, the deceased's unearned premium for this coverage will be waived and "Supplemental Extended Reporting Period" coverage will be provide at no additional charge.
5. There will be no charge for "Supplemental Extended Reporting Period" coverage under the following circumstances:

#

a. Insured meets the following Total Disability/Death requirements:

1. Totally and continuously disabled at least 6 months as a result of sickness or accidental injury;
2. A medical doctor, not the Insured, any other protected person, or member of insured's immediate family, must certify that the insured is unable to perform the duties of the insured's profession.

b. Insured meets the following Retirement criteria:

Continuous Years Insured by
ACE AMERICAN INSURANCE COMPANY
on Claims-Made Basis
5 years

Minimum Age
Requirement

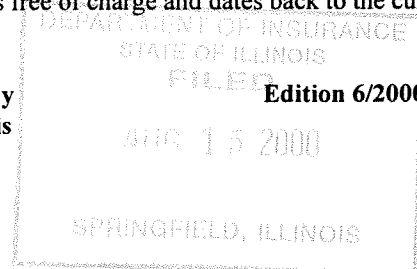
55 or older

#

c. We shall provide extended reporting endorsement (tail coverage) automatically to an insured or their estate upon the death of the insured. The endorsement is free of charge and dates back to the current ACE American claims made policy retroactive date.

Revised

ACE American Insurance Company
ACE Insurance Company of Illinois



6. The Retroactive Date of coverage with this Company will determine the years of prior exposure for "Supplemental Extended Reporting Period" coverage.
7. Premium must be paid promptly when due. Premium must be paid in full at inception of coverage.
8. In the event the claims-made policy is canceled, any return premium due the insured will be credited toward the premium for "Supplemental Extended Reporting Period" coverage, if the insured elects this coverage. If any premium is due for the period of time between the earlier of the claims-made policy's Retroactive Date or effective date and the termination date, any monies received by the Company will first be applied to the premium owing for the claims-made policy and then to the "Supplemental Extended Reporting Period Coverage Endorsement".
9. The factors in the following table will be applied to the mature claims-made rate in effect at the inception of the last claims-made policy to determine the premium for the "Supplemental Extended Reporting Period Coverage Endorsement".

Yrs. of Prior Claims-Made Coverage	Factor
1	.79
2	1.16
3	1.32
4	1.37
5 or More	1.42

XXIII. CHANGE OF CLASSIFICATION - CLAIMS-MADE COVERAGE

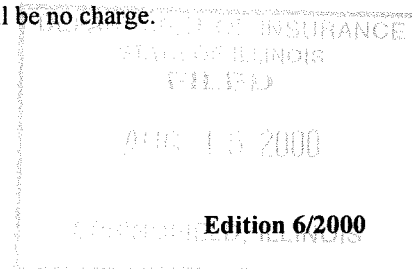
- A. In the event an insured changes their practice during a claims-made policy period which results in a classification change, a difference in Supplemental Extended Reporting Period exposure is potentially created. The following procedure shall be used to determine the applicable surcharge, if any:
 1. Calculate the "At Limits" Supplemental Extended Reporting Period premium applicable for:
 - a. the previous classification according to the rates and rules contained herein;
 - b. the premium applicable for the new classification;
 2. If the "At Limits" Supplemental Reporting Period premium for the new classification:
 - a. is less than the premium for the previous classification, the dollar difference is the surcharge to be applied.
 - b. exceeds the premium for the previous class, there will be no charge.

XIV. RATES

- A. Refer to specific state rate pages for rates.

Revised

**ACE American Insurance Company
ACE Insurance Company of Illinois**



Edition 6/2000

XXV. POLICY LIMIT FACTORS

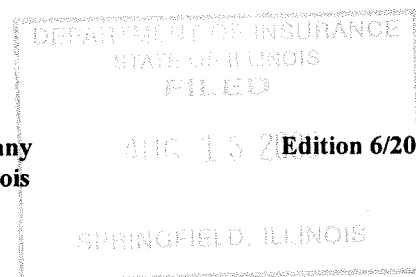
The minimum policy limit available is \$100,000 Each Claim/\$300,000 Aggregate. Varying Occurrence limits displayed below in **TABLE III** may be quoted up to the maximum limit of \$3,000,000 Each Claim/\$3,000,000 Aggregate by applying the applicable Policy Limit Factor to the \$1,000,000/\$1,000,000 premiums displayed in **TABLE II**.

TABLE III**POLICY LIMIT FACTORS**

LIMITS	FACTORS
\$100,000/\$300,000	.56
\$200,000/\$600,000	.72
\$250,000/\$750,000	.76
\$300,000/\$800,000	.79
\$400,000/\$900,000	.85
\$500,000/\$1,000,000	.89
\$1,000,000/\$1,000,000	1.00
\$1,000,000/\$2,000,000	1.02
\$1,000,000/\$3,000,000	1.04
\$2,000,000/\$2,000,000	1.30
\$3,000,000/\$3,000,000	1.45

Revised

ACE American Insurance Company
ACE Insurance Company of Illinois



Edition 6/2000

I. APPLICATION OF MANUAL RULES

A. The rules contained in these pages will govern the writing of Professional Liability policies for the dental profession.

B. The rates, rating plans and forms filed on behalf of the Company will govern in all cases not specifically provided for by these manual rules.

II. POLICY TERM

Policies may be written for a term of one year, and renewed annually thereafter.

III. PREMIUM COMPUTATION

A. Compute the premium at policy inception using rules, rates and rating plans in effect at that time.

B. Prorate the premium when a policy is issued for other than a whole year.

C. Premiums are calculated as specified for the respective coverage. The final premium will be rounded in accordance with the whole dollar rule.

IV. FACTORS OR MULTIPLIERS

Whenever applicable, factors or multipliers are to be applied consecutively and not added together.

V. POLICY WRITING MINIMUM PREMIUM

The Minimum Premium will be \$250 per annual or lesser period.

VI. WHOLE DOLLAR RULE

The premium for each peril, coverage or exposure for which a separate premium is calculated will be rounded to the nearest whole dollar as follows:

A. Any amount involving \$.50 or over will be rounded to the next highest whole dollar amount;

B. Any amount involving \$.49 or less will be rounded to the next lowest whole dollar amount.

VII. ADDITIONAL PREMIUM CHARGES

A. Prorate all changes involving additional premium.

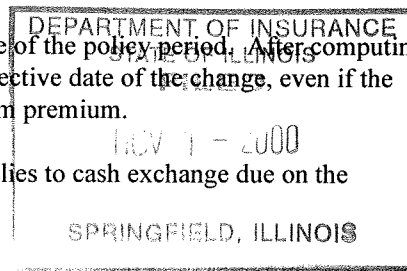
B. Apply the rates and rules that were in effect at the inception date of the policy period. After computing the additional premium, charge the amount applicable from the effective date of the change, even if the policy inception premium was less than the policy writing minimum premium.

C. Waive additional premium of \$15 or less. This waiver only applies to cash exchange due on the effective date of change endorsements.

VIII. RETURN PREMIUM

A. Deletion of any coverage under this professional liability policy is not permitted. The entire policy must be canceled if coverage is not desired.

B. Compute return premium at the rates used to calculate the premium at policy inception.



C. Compute return premium pro rata and round in accordance with the Whole Dollar Rule when any coverage or exposure is deleted or an amount of insurance is reduced.

D. Waive return premium of \$15 or less. Grant any return premium due the insured if requested. This waiver only applies to cash exchange due on the effective date of change endorsements.

E. Retain the policy writing minimum premium.

IX. COVERAGES

Required coverages under this program are:

A. Professional Liability on a Claims-Made basis.

X. LIMIT OF LIABILITY OPTIONS

A. Professional Liability

- Minimum limit available is \$100,000/\$300,000. Higher limits may be offered up to \$5 Million/\$7 Million by using the Policy Limit Factors displayed in TABLE III.

XI. POLICY CANCELLATIONS

A. The policy may be canceled flat by the Company or the insured within 60 days of the effective date. Evidence of insured cancellation must be received by the Company within 60 days of such cancellation intent.

B. Any cancellation initiated, other than by the insured, after 60 days will be canceled pro-rata.

C. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied.

XII. CLAIMS-MADE PRIOR ACTS COVERAGE

The policy may be extended to provide prior acts coverage to those whose most recent coverage has been Claims-Made. Refer to Section XV. CALCULATION OF PREMIUM, Part A., item 3. for the applicable rules.

XIII. EXTENDED REPORTING PERIOD COVERAGE

A. BASIC EXTENDED REPORTING PERIOD

A "Basic Extended Reporting Period" is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 60 days. This automatic extension will provide an additional period of time in which to report claims to the Company that arise from dental incidents that take place subsequent to the Retroactive Date and before the end of the policy period.

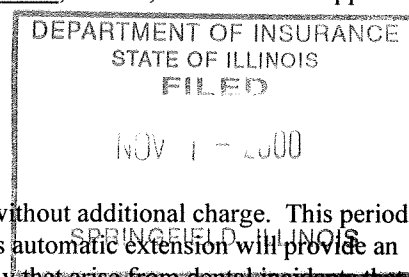
The "Basic Extended Reporting Period" does not apply to claims that are covered under any other insurance purchased after the expiration of our policy, or to claims that would be covered but for the exhaustion of any subsequently purchased insurance applicable to such claims.

B. SUPPLEMENTAL EXTENDED REPORTING PERIOD

The Supplemental Extended Reporting Period is unlimited and its availability will be governed by the following rules:

1. The Limits of Liability may not exceed those afforded under the terminating claims-made policy.

2. Supplemental Extended Reporting Period Coverage will be available to named insureds shown on the



Declarations page of the terminating claims-made policy. Should an insured terminate association with an entity, coverage will also be offered to the entity provided that the entity was also insured by the Company.

3. Upon termination of the claims-made policy, all named insureds shown on the Declarations page may purchase this coverage by giving the Company written notice of intent to purchase within 60 days following the termination date of their claims-made policy, and paying the appropriate premium.

4. Upon termination of coverage of the claims-made policy by reason of death, the deceased's unearned premium for this coverage will be waived and Supplemental Extended Reporting Period Coverage will be provided at no additional charge.

5. There will be no charge for Supplemental Extended Reporting Period Coverage under the following circumstances:

a. Insured meets Total Disability requirements:

- Totally and continuously disabled for at least 6 months as a result of sickness or accidental bodily injury;
- A medical doctor (not insured, any other protected person, or member of insured's immediate family) must certify that insured is unable to perform the duties of insured's profession.

b. Insured meets retirement criteria displayed in the following table:

Continuous Yrs. Insured by Us on Claims-Made Basis	Minimum Age Requirement
5	60 or older
6	59
7	58
8	57
9	56
10	55

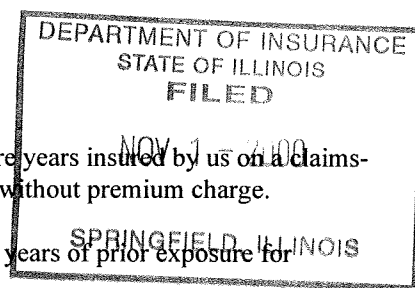
Example: An insured who elects to retire at age 59 with 6 or more years insured by us on a claims-made basis would receive Extended Reporting Period Coverage without premium charge.

6. The retroactive date of coverage with this Company will determine the years of prior exposure for Extended Reporting Period Coverage.

7. Premium must be paid promptly when due. Premium may be paid in full at inception of coverage or in 3 installments.

8. In the event the claims-made policy is canceled, any return premium due the insured will be credited toward the premium for Supplemental Extended Reporting Period Coverage, if the insured elects this coverage. If any premium is due for the period of time between the earlier of the claims-made policy's Retroactive Date or effective date and the termination date, any monies received by the Company will first be applied to the premium owing for the claims-made policy and then to the Supplemental Extended Reporting Period Coverage Endorsement.

9. The factors in the following table will be applied to the mature claims-made rate in effect at the inception of the last claims-made policy:



Years of Prior Claims- Made Coverage	Installment Factors			Prepaid Factors
	1st Yr	2nd Yr	3rd Yr	
1	.31	.23	.36	0.79
2	.51	.35	.46	1.23
3	.61	.49	.46	1.45
4 or more	.73	.49	.46	1.57

XIV. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as coming from professional practice within the designated state. An exception will be allowed for those whose practice involves 25% or less of their practice time exposure coming from other states. Those whose practices involve more than 25% outside the designated state must be referred to the Company for underwriting approval and rating.

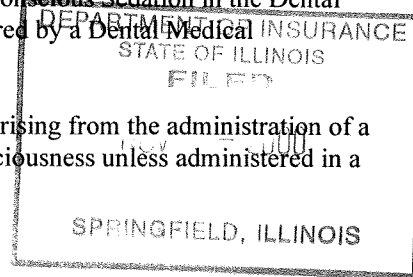
XV. CALCULATION OF PREMIUM

The premium for the claims-made policy will be the sum of the applicable charges developed below.

A. Professional Liability coverage is to be provided on a claims-made basis, and under the following rules:

1. The ISO Dental Classifications, Definitions and Class Codes 80210 and 80211 do not apply.
2. The following Classification Plan is to be used:

CLASS	DESCRIPTION
I	General Dentists or Specialists in Orthodontics, Pediatric Dentistry, Periodontics, Prosthodontics, Endodontics and Oral Pathology not otherwise classified in Class II* below. General Dentists or Specialists performing Conscious Sedation, Third Molar Extractions, Full-Mouth Banding (unless an Orthodontic Specialist). *
II	Any Dentist performing Implants involving Osseointegration. * General dentists or Specialists allowing Unconscious Sedation in the Dental Office, but only if the Sedation is administered by a Dental Medical Anesthesiologist. * No coverage is provided for any liability arising from the administration of a general anesthetic intended to cause unconsciousness unless administered in a Hospital.
III	Specialists in Dental Anesthesiology
IV	Specialists in Oral and Maxillofacial Surgery not included in Class V. (Administration of a general anesthetic intended to cause unconsciousness must be administered in a Hospital).
V	Specialists in Oral and Maxillofacial Surgery who administer, personally or by an employed/contracted Anesthesiologist, any General Anesthetic intended to cause unconsciousness if administered in a Dental Office.
VI	Dental School Faculty, Teaching Dentists, and Graduate Students (Intramural Activity)



VII Dental School Faculty, Teaching Dentists, and Graduate Students (No Intramural Activity)

VIII Full-time Undergraduate Dental Students (See definition below)*

* Full-time Undergraduate Dental Students: Unlicensed students whose dental professional activity is limited to clinical practice while under supervision of licensed dental professionals (e.g., Faculty or practicing dentists) and which is a part of the curriculum of an accredited dental school may be written at premiums shown on the State Rate Page.

3. The annual claims-made rates for each dentist will be determined for Classes I through V only as follows:

a. If the dentist is just entering practice, the dentist has continuously been insured under an "occurrence" policy, or Prior Acts coverage is not being provided, enter the step rate factor from the Step Rate Factor Table at year one.

b. If the dentist has been insured under a "claims-made" policy for one or more years immediately preceding the effective date of the policy to be issued, or for reasons acceptable to the Company had been uninsured or self-insured, and Prior Acts coverage is being provided, the following procedure will apply:

(1) Determine the number of years in which the dentist has been insured under a claims-made policy;

(2) Determine the number of years the dentist has either been uninsured or self-insured;

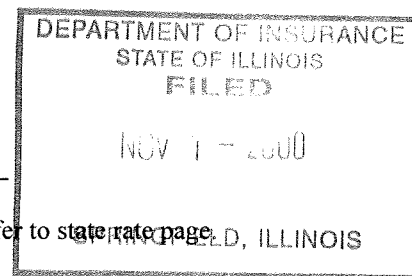
(3) The sum of the years from (1) & (2) will be the "prior years of exposure". Fractional years of 6 months or more will be rounded up to the next higher year; less than 6 months will be rounded down to the next lower year.

(4) The selection from the Step Rate Factor Table that follows is made by adding 1 year to the "prior years of exposure" developed in the above procedure. The 1 additional year is to account for the new policy to be issued.

c. The factors in the following table are to be applied to the full-time Class I through V rates:

CLASSES	STEP RATE FACTORS				
	Yr.1	Yr.2	Yr.3	Yr.4	Yr.5
I Through V	.32	.60	.81	.90	1.00

d. For classes VI, VII and VIII Claims Made rates, refer to state rate page.



4. Additional Classifications:

a. New Dentists: A dentist who has completed training and is new to the practice of dentistry within the 6 months prior to applying to the Company for coverage will have a 50% credit applied to the first year's premium and a 25% credit applied to the second year of practice.

b. Corporations and Partnerships: Professional liability coverage may be provided for a dental entity (corporation or partnership) to cover liability arising from the practice of member dentists insured by the Company. Such coverage may be provided in one of the following ways:

(1) Entity may share in the policy limit written by the Company for the member dentist(s), in which case no additional premium will be charged.

(2) Entity may be provided its own limit of liability. The limit provided under this option must be equal to the highest limit carried by any individual insured member dentist. An additional premium charge of 10% of the total professional liability premium developed from all member dentists will be made.

c. Additional Insureds (other than individual dentists, corporations and partnerships): Coverage may be extended to "Additional Named Insureds" for a charge of 5% of the policy's professional liability premium.

d. Disability and Leave of Absence: A dentist who becomes disabled, or is on leave of absence for a period of 45 days or more, but less than 180 days, may be eligible for restricted coverage at a reduced rate of 75% of the applicable full time rate for the period of disability or leave of absence. The reduced rate will apply retroactively to the first day of disability or leave of absence. Leave of absence may include professional education, but does not include vacation.

e. Locum tenens: A Locum Tenens Endorsement may be provided for non- insured dentists who temporarily replace an insured dentist for a period up to 60 days each policy year. The Locum Tenens will share in the insured dentist's limit of liability. As a result there will be no additional premium charge.

f. Part Time: A part time rate of 50% of the applicable full time rate will apply to any dental professional who works 20 hours or less per week. This credit will not apply if the professional is rated at the year one claims-made rate to which the new dentist credit has been applied. Only 25% credit will apply if the professional is rated at the year two claims-made rate to which the new dentist second year credit has been applied.

g. Employed Dentist: A 10% additional premium charge will be made to an insured entity for each employed dentist not insured by Us for the additional vicarious liability assumed by the entity as a result of such situations.

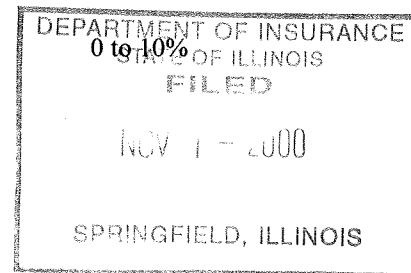
h. Employed Dentists: A factor of .80 will be applied to the applicable rate for all dentists who are employees of an insured dentist/dental office.

XVI. SUPPLEMENTAL PROFESSIONAL LIABILITY MODIFICATIONS

A. Schedule rating

Based upon the following individual risk characteristics, the maximum credit or debit produced will not exceed 25%:

	<u>Credit</u>	<u>Debit</u>
1. Procedure mix	0 to 10%	0 to 10%
Applicable to those whose procedures or practices are primarily concentrated in areas other than their practice classification/specialty.		
2. Exposure Modification	0 to 10%	0 to 10%
Applicable to those whose practice or coverage has been modified to reflect an increased or decreased exposure		
3. Unusual Risk Characteristics	0 to 10%	0 to 10%



B. Loss control education 5 to 10% -----

A credit will be applied to each dentist who attends a Company approved loss prevention workshop. This credit will be applied for 3 consecutive years.

C. Experience Rating ----- 0 to 75%

Based upon the claim history of an individual dentist over a preceding 5 year period, a debit not to exceed 75% may be applied to the dentist's rate for the first subsequent policy period. Criteria used to determine the application of such debits for the preceding 5 year claim history will include:

- Number of claims
- Incurred losses
- Paid losses
- Cause of reported losses

Debits are to be applied on a one year basis and then reviewed annually for subsequent applicability using the same criteria above.

XVII. EXPENSE MODIFICATION

The policy premium contemplates standard allowances for expense. If expense varies from standard, the premium may be modified to reflect this difference.

XVIII. CHANGE OF CLASSIFICATION

In the event that an insured changes their practice, resulting in a classification change, a charge reflecting the difference between the two classifications shall be calculated and collected at the time of change unless:

- A. both the prior and current classification fall within the same class;
- B. the classification change occurred more than 4 years ago and under a claims-made policy;
- C. the classification change occurred at a time when occurrence coverage was in effect.

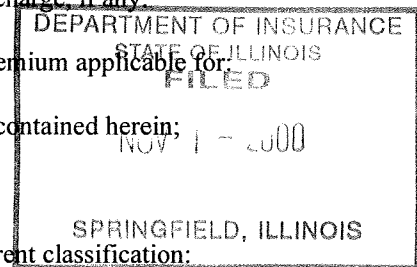
The following procedure shall be used to determine the applicable surcharge, if any:

A. Calculate the at-limits Supplemental Extended Reporting Period premium applicable for:

- 1. the previous classification according to the rates and rules contained herein;
- 2. the premium applicable for the current classification.

B. If the at-limits Supplemental Reporting Period premium for the current classification:

- 1. is less than the premium for the previous classification, the dollar difference is the surcharge to be applied.
- 2. exceeds the premium for the previous classification, there shall be no charge.



XIX. PREMIUM PAYMENT PLAN

The Company may, at its discretion, offer the insured various premium payment options, ranging from

**ACE AMERICAN INSURANCE COMPANY
ACE INSURANCE COMPANY OF ILLINOIS**

Edition 9/2000

monthly to annual payment plans.

XX. DIVIDEND OR PROFIT SHARING PLANS

The Company may agree with an association, purchasing group or similar organization to share profits, if any, in accordance with a predetermined formula. In the event of such an agreement, the policy shall be endorsed to either reflect the profit utilization formula or add the pertinent portion of the agreement with the organization to the policy by reference.

Any monies developed in accordance with any such agreement shall be made available to the insureds in accordance with the provisions of the agreement.

XXI. BLANKET COVERAGE OPTION

All students, faculty, teaching dentists and graduate students in a single School of Dentistry may be written under one Blanket Policy if application is made and responsibility for coordination such as premium payment and claims reporting is assumed by the School. All individuals covered under this blanket option must carry the same limit. A separate limit applies to each individual named on the policy. Because of administrative savings realized in the inclusion of everyone under one policy, a 15% credit is applied to the total professional liability premium under the Blanket Coverage option.

XXII. CLAIM FREE CREDIT RULE

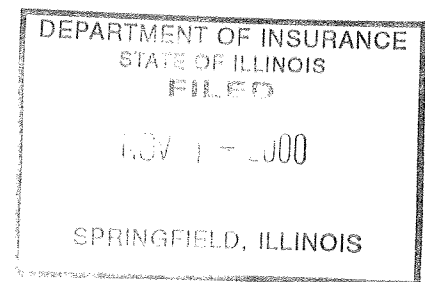
NOTE: The following rule is applicable to Dental Classes I through V only.

If no claim under this policy shall have been filed against an Insured, the Insured will be eligible for premium credits on the following schedule:

1. If insured by the Company and claim free for 3 years but less than 5, a 5% credit shall be applied to the next renewal.
2. If insured by the Company and claim free for 5 years but less than 8, a 10% credit shall be applied to the next renewal.
3. If insured by the Company and claim free for 8 years or more, a credit of 15% shall be applied to the next policy renewal.

A claim under this policy shall not, for the purpose of this premium credit program, be construed to include instances of mistaken identity, blanket defendant listings, improper inclusion, or non-meritorious or frivolous claims.

Insureds converting coverage to the ACE USA Companies, who were claim free while insured by another carrier, may qualify for credit at the policy inception date in accordance with standard guidelines applicable to the Company's Insureds.



I. APPLICATION OF MANUAL

- A. The rules contained in these pages will govern the writing of Professional and Supplemental Liability policies for Nurses.
- B. The rules, rates, rating plans and forms filed on behalf of the Company, and not in conflict herewith, will govern in all cases not specifically provided for herein.

II. POLICY TERM

- A. Policies for individuals may be written for a term of one year, and renewed annually thereafter.

Policies for Entities with a headcount of greater than 5 and Student Blanket policies may be written for a period of one, two or three years. Multiyear policies are subject to reporting provisions as explained hereunder. Premiums for policy terms of less than one year shall be calculated on a pro-rate basis.

Coverage may be extended for a period not to exceed sixty (60) days beyond expiration date, subject to the consent of the Company and subject to the rates and forms in effect for the expiring policy term. Premiums for this extension shall be calculated on a pro-rata basis.

Coverage may be renewed, subject to the consent of the Company, for additional periods by payment of a premium calculated according to the company's rates, rules and forms in effect at the time of renewal.

III. PREMIUM COMPUTATION

- A. Premiums at policy inception will be computed using rules, rates and rating plan in effect at that time.
- B. When a policy is issued for other than a whole year, the premiums will be computed on a pro-rata basis.

IV. FACTORS OR MULTIPLIERS

Unless otherwise noted, factors or multipliers are to be applied consecutively, as opposed to being added together.

V. POLICY WRITING MINIMUM PREMIUM

No policy minimum premium applies.

VI. WHOLE DOLLAR RULE

- A. The premium for each peril, coverage or exposure for which a separate premium is calculated will be rounded to the nearest whole dollar as follows:
 - 1. Any value involving \$.50 or more will be rounded up to the next highest whole dollar amount.
 - 2. Any value involving \$.49 or less will be rounded down to the next lowest whole dollar amount.

ADDITIONAL PREMIUM CHARGES

- A. All coverage changes or additions involving additional premiums will be pro-rated based upon the effective date of the change.
- B. The rates and rules that were in effect at the inception date of the policy period are to be used in all additional premium calculations.
- C. Additional premiums of \$24 or less may be waived. This waiver only applies to charges due on the effective date of change endorsements.

VIII. RETURN PREMIUMS

- A. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
- B. Return premiums are computed using rates in effect at the policy inception.
- C. Return premiums are computed pro rata and rounded in accordance with the whole dollar rule when any coverage or exposure is deleted, or an amount of insurance is reduced.

IX. POLICY CANCELLATIONS

- A. This policy may be canceled flat by the Insured within 60 days of the effective date. Evidence of such cancellation must be received by the Company within the 60-day period.
- B. Any cancellation initiated by the Company more than 60 days from inception will be computed on a pro-rata basis.
- C. Cancellation initiated by the Insured will be computed pro rata less a penalty of 10% unless the same coverage is rewritten by the Company, in which case no penalty shall be applied.

X. COVERAGE

Professional Liability and Supplemental Liability are provided on an occurrence basis for nursing professionals. The following categories of employed or self-employed nurses, nursing students, and nursing related service provider entities in the following categories are eligible for coverage under this policy:

Nurses Aides and Assistants,
Certified Nurses Assistants (CNA)
Licensed Vocational Nurses (LVN)
Licensed Practical Nurses (LPN)
Registered Nurses (RN)
General Duty Home Health
Critical Care Nurses (ER/OR)
RN First Assistants
Organ Harvest and Transplant
Post Anesthesia and Recovery
OB/GYN (Labor and Delivery)

Nurse Practitioners:
Adult/Geriatric
Family Planning
Community Health
Family Practice
Industrial
Medical Surgical
School
Women's Health (excl. OB)
Neonatology
Pediatric
Psychiatric
OB/GYN

XI. LIMITS OF LIABILITY

A. Optional limits of liability are available with this policy. The maximum limits available are as follows:

1. Professional Liability

\$ 2,000,000	Each Professional Incident
\$10,000,000	Aggregate

2. General or Supplemental Liability

\$1,000,000	Each Occurrence
\$6,000,000	Aggregate

Note: GL limits must be equal to professional liability limits.

B. The rates displayed in Table I are the Professional Liability rates for limits of \$1,000,000/\$6,000,000. The table below provides the Differential Limits Factors used in calculating Professional Liability rates for other optional limits.

Per Professional Incident (000)						
	25	100	200	500	1,000	2,000
75	.372					
300		.595				
600			.682	.774		
1,000				.785	.889	
3,000					.941	
4,000						1.16
5,000					.99	1.17
6,000					1.00	1.18
7,000					1.01	1.19
8,000					1.02	1.20
9,000					1.03	1.21
10,000					1.04	1.22

C. The Supplemental Liability rates shown in section XIV. Optional Coverages, C. Supplemental Liability – Entities, are based upon limits of \$1,000,000/\$6,000,000. The table below provides the Differential Limits Factors to be used in calculating Supplemental Liability rates for other optional limits.

Per Occurrence (000)					
	25	100	200	500	1,000
75	.532				
300		.741			
600			.829	.903	
1,000				.917	.947
3,000					.976
5,000					.998
6,000					1.000

- D. For professional liability limits higher than \$1,000,000/\$6,000,000 the following minimum premiums are to be used if the difference between the \$1,000,000/\$6,000,000 limit and the higher chosen limit is less than the amount indicated in the table below:

Per Incident (000)	Aggregate (000)	Min Prem
1,000	7,000	\$25
1,000	8,000	\$30
1,000	9,000	\$35
1,000	10,000	\$40
2,000	4,000	\$35
2,000	5,000	\$50
2,000	6,000	\$65
2,000	7,000	\$75
2,000	8,000	\$80
2,000	9,000	\$85
2,000	10,000	\$90

- E. On multi-year policies limits are automatically reinstated on the annual renewal.
- F. All policies are written on a shared limit basis, unless an individual insured chooses to have the corporation or partnership added as an additional insured with separate limits extended to cover that additional insured (see Additional Insured – Corporations/Partnerships).

Shared limits means a single limit of liability that applies to each medical incident or occurrence, regardless of the number of insureds involved in the incident. A shared Aggregate limit of liability will apply per policy period to all insured's, with the exception of those individuals written on a blanket basis who choose a "separate aggregate limit of liability option" (see Blanket and Student Blanket coverage).

XII. DEDUCTIBLE

The basic nurses professional liability policy has no deductible.

For firms or entities with a headcount of 6 or more individuals, the following deductible options may be selected. The factors shown in the table below are to be applied to the professional liability premium.

Deductible	Factor
\$ 5,000	.950
\$10,000	.925
\$15,000	.900
\$20,000	.875
\$25,000	.850

Deductibles over \$25,000 are to be referred to the Company.

XIII. REQUIRED COVERAGES

The two broad categories of professional nurses and provider entities used to define the required coverages are as follows:

A. Employed Nurse

1. Professional Liability	Selected Professional Liability Limit
Personal Injury	Included
2. Licensing Board Defense	\$5,000 Each Investigation/\$10,000 Policy Term
3. Supplemental Liability	Selected Supplemental Liability Limit
4. Medical Expense Coverage	\$2,000 Per Person/\$100,000 Aggregate
5. First Aid Coverage	\$2,500 Aggregate
6. Assault Coverage	\$5,000 Aggregate
7. Defendant's Reimbursement	\$500 Per Day/\$10,000 Per Incident/Occurrence
8. Deposition Fees and Expenses	\$5,000 Per Deposition

B. Self-Employed Nurse or Business Entity

1. Professional Liability	Selected Professional Liability Limit
Personal Injury and Advertising Injury	Included
2. Licensing Board Defense	\$5,000 Each Investigation/\$10,000 Policy Term
3. Supplemental Liability	Selected Supplemental Liability Limit
General Liability	Included
Host Liquor Liability	Included
4. Fire & Water Damage Legal Liability	\$100,000
5. Medical Expense Coverage	\$2,000 Per Person/\$100,000 Aggregate
6. First Aid Coverage	\$2,500 Aggregate
7. Assault Coverage	\$5,000 Aggregate
8. Defendant's Reimbursement	\$500 Per Day/\$10,000 Per Incident/Occurrence
9. Deposition Fees and Expenses	\$5,000 Per Deposition

XIV. OPTIONAL COVERAGES

A. Entity Coverage Extension - Corporation, Partnership, or Association

Professional Liability coverage can be extended to the professional corporation, partnership, or association entity for liability arising from the actions of the employed nurse professional named in the Declarations. Coverage is provided on a share limit basis for no additional premium.

If separate limits are to be extended to a corporation, partnership, or association, the limits must be equal to the highest limits provided to any one individual member nurse. The premium charge for this extension is developed by applying a 1.10 factor to the total professional liability premium.

B. Additional Insured

An additional insured may be added to the policy for a charge of 10% of the professional liability premium, subject to a minimum premium of \$50. Such additional insureds may include outpatient surgical centers, hospitals, etc., to which the insured may be contracted.

Lessors may be added to the policy as an additional insured at no additional premium. (All other additional insureds must be referred to the Company for underwriting.)

Additional insureds as described in this section will be added on a shared limits basis.

C. General Liability – Entities.

General Liability (part of Supplemental Liability) is automatically included for employed individuals and self-employed individuals. Entities or firms that are purchasing Professional Liability may obtain General Liability for an additional premium. The premium at limits of \$1,000,000 per Occurrence and \$6,000,000 Aggregate is as follows:

Locations	Premium
First	\$163
Each Additional	\$110

The maximum General Liability limit available is \$1,000,000 per Occurrence / \$6,000,000 Aggregate. Use the Differential Limits Factors (section XI. C.) to determine the at-limits premium for alternative limits of liability. In all cases, however, the General Liability limit must be equal to the Professional Liability limit.

The at-limits Supplemental Liability premium is added to the **Total Policy Premium** developed below.

If entities or firms do not desire to purchase General Liability, it must be excluded by endorsement and no charge is made.

D. Non-Owned Automobile Liability

This coverage option is available for entities only. The premium for 1 – 10 employee firms is based upon a flat charge. For entities with 11 or more employees the premium is calculated by multiplying the rate by the total number of employees. The rates for the available limits options (000) are shown in the table below.

# Employees	Charge	\$500/\$500	\$1,000/\$1,000	\$1,000/\$3,000
1 – 10	Flat	\$70	\$80	\$90
11 or More	Per/Emp	\$7	\$8	\$9

E. Prior Acts

When an Insured is converting from a claims-made form to the occurrence coverage provided under this policy, and subject to prior approval of the Company, Prior Acts coverage may be purchased on a selected basis. The following rules apply:

1. Coverage is available only for non-interrupted claims-made coverage immediately preceding the effective date of this policy.
2. A maximum Prior Acts reporting period of 5 years may be purchased, regardless of the total number of claims-made policy years preceding this policy.
3. The premium for Prior Acts coverage is a one-time charge which will be fully earned at inception. The Company will not return to the Insured any portion of the Prior Acts premium for any reason once the coverage has been initiated.
4. The Prior Acts premium is determined for each individual by applying the appropriate factor from the table below to the annual professional liability rate found in Table I on the State Exception Page. For partial claims-made periods use the closest factor.

Claims-Made Period	Factor
1 to 90 Days	.10
91 to 180 Days	.25
One Year	.50
Two Years	.75
Three Years	.90
Four or More Years	1.00

F. Leave of Absence

Subject to Company underwriting approval, coverage under an in-force policy may be suspended for a period of not less than 30 days, and not more than six months. This suspension may be made without premium adjustment. The expiration of the policy is extended by the same length of time that the policy was suspended. This feature can be used for a parental leave, medical leave, military call-up to active duty, or a sabbatical.

XV. PREMIUM CALCULATION RULES

A. Base Rates.

The premium for this policy is calculated on a "per professional" basis. The base rates will be applied in accordance with the nurse professional specialty as shown in Table I (section XVII.). If two or more classifications apply to the same professional, the highest rated classification is to be used. Any risk or exposure for which there is no defined classification is to be referred to the Company for rating.

B. Base Rate Adjustments.

1. Part Time. A part-time rate adjustment factor of .50 will apply to any individual nurse professional who is self-employed and works 20 hours or less per week. This factor is applied to the "Self-employed" rate from Table I.

A part-time rate adjustment factor of .25 will apply to any employed individual nurse professional who, in addition to regular employment, works less than 10 hours per week in a self-employed capacity. This premium is first developed by multiplying the "Employed" rate by .25 and adding the result to the full "Employed" rate.

2. New Graduate. A new graduate rate adjustment factor of .50 will be applied for the first year of coverage, and a .75 rate adjustment factor for the second year of coverage. A new graduate is defined as a nurse professional within 12 months following graduation from an accredited institution, leading to licensure or certification in the profession specified in the Declarations.
3. Entity or Firm Size. A rate adjustment factor will be applied for corporations, partnerships, or associations based upon the rateable insured headcount as shown in the table below:

Headcount	Factor
3 - 5	.96
6 - 10	.94
11 - 15	.92
16 - 20	.90
20 or More	.85

Headcount means the total number of ratable insureds (owners, partners, officers, and professional employees) and does not include independent contractors or additional insureds.

Student Blanket policies are not eligible for the entity or firm size rate adjustment.

4. **Multi-year Policy.** Entities or firms who elect to purchase coverage for multiple years (two or three) will have rate adjustment factors applied as follows:

Years	Factor
Two	.95
Three	.90

Credits are only applicable if the entire multi-year policy premium is paid in full at the inception of the policy.

The lowest rate adjustment factor total for any insured is .50. The only exception to this rule applies for part-time, self-employed nurse professionals who work less than 10 hours per week, in which case the lowest rate adjustment factor is .25.

C. **Schedule/Experience Rating.**

1. **Risk Management.** A risk management rate credit of 10% will be applied to the base rate upon completion of continuing education courses. Course content must include one or more of the following topics: patient communications; documentation; informed consent; confidentiality of records; fall and burn management; or litigation and other legal issues.

Subject to underwriting approval and verifiable participation, courses must be completed by the insured within 24 months of the policy effective date. This credit will be reapplied to subsequent policy periods as long as the course completion date is within 24 months of the policy effective date.

Only one such rate credit may be applied to the policy at one time. In order for entities (corporations, partnerships, or associations) to be eligible for the risk management rate credit, 50% of their rateable headcount must meet the continuing education requirement. Student Blanket policies are not eligible. Risk Management rate credits may only be applied at inception.

2. **Loss Experience.** Individuals or entities that have been in business for at least 3 years are eligible for a 10% loss free credit if there have been no claims or incidents reported in the past 3 years.

D. **Expense Modification**

The policy premium contemplates standard allowances for expense. If expenses vary from the standard, the premium may be modified to reflect this difference, e.g. reduction in commission to agent.

XVI. PREMIUM CALCULATION

A. **Professional Liability - Employed Individual.**

- Step 1.** Determine **Base Rate (BR)**. Depending upon nurse classification of individual, select appropriate "employed" **Base Rate** from Table I in the State Exception page.

Step 2. Calculate a **Base Rate Modification Factor (BRMF)** using the preceding **PREMIUM CALCULATION RULES**. Convert all credit percentages to a factor (example: a 10% credit converts to a .90 factor). Multiply all of the applicable factors consecutively (do not round) to arrive at a composite factor.

Step 3. Develop a **Modified Base Rate (MBR)** using the following formula:

$$\text{MBR} = \text{Base Rate} \times \text{Base Rate Modification Factor}$$

Step 4. Develop the **Total Policy Premium (TPP)** as follows:

- a. Select the applicable Professional Limits of Liability factor (XI. B.) to establish the **Limits Modification Factor (LMF)**
- b. Multiply the **Modified Base Rate** by the **Limits Modification Factor**.
- c. Compute the desired optional coverage premiums (XIV. OPTIONAL COVERAGES) and add to the result of the calculation from b.

$$\text{TPP} = (\text{LMF} \times \text{MBR}) + \text{Optional Coverages}$$

B. Professional Liability - Self-Employed Individual.

Step 1. Determine **Base Rate (BR)**. Depending upon nurse classification of individual, select appropriate "self-employed" **Base Rate** from Table I in the State Exception page.

Step 2. Calculate a **Base Rate Modification Factor (BRMF)** using the preceding **PREMIUM CALCULATION RULES**. Convert all credit percentages to a factor. Multiply all of the applicable factors consecutively (do not round) to arrive at a composite factor.

Step 3. Develop a **Modified Base Rate (MBR)** using the following formula:

$$\text{MBR} = \text{Base Rate} \times \text{Base Rate Modification Factor}$$

Step 4. Develop the **Total Policy Premium (TPP)** as follows:

- a. Select the applicable Professional Limits of Liability factor (XI. B.) to establish the **Limits Modification Factor (LMF)**.
- b. Multiply the **Modified Base Rate** by the **Limits Modification Factor**.
- c. Compute the desired optional coverage premiums (XIV. OPTIONAL COVERAGES) and add to the result of the calculation from b.

$$\text{TPP} = (\text{LMF} \times \text{MBR}) + \text{Optional Coverages}$$

C. Professional Liability – Entity.

Step 1. Develop **Base Premium (BP)** as follows:

- a. Depending upon professional classification of employed individuals, select

appropriate "employed" **Base Rates** from Table I in the State Exception page. Multiply the **Base Rate** for each classification by the number of individuals in that category to arrive at **Base Premiums**.

- b. Select the appropriate "Self-employed" **Base Rate** from Table I in the State Exception page to determine the **Base Premium** for each owner, partner, and/or corporate officers active as professional practitioners in the business of the insured.
- c. Add the **Base Premiums** for all employees and owners/partners/corporate officers together.

Step 2. Calculate a **Base Premium Modification Factor (BPMF)** using the preceding PREMIUM CALCULATION RULES. Convert all credit percentages to a factor. Multiply all of the applicable factors consecutively (do not round) to arrive at a composite factor.

Step 3. Develop a **Modified Base Premium (MBP)** using the following formula:

$$\text{MBR} = \text{Base Premium} \times \text{Base Premium Modification Factor}$$

Step 4. Develop the **Total Policy Premium (TPP)** as follows:

- a. Select the applicable Professional Limits of Liability factor (XI. B.).
- b. If a deductible option is desired, select the appropriate factor (XII.).
- c. Multiply the limits factor by the deductible factor to establish the **Modification Factor (MF)**.
- d. Multiply the **Modified Base Premium** by the limits/deductible factor.
- e. Compute the desired optional coverage premiums (XIV. OPTIONAL COVERAGES) and add to the result of the calculation from b.

$$\text{TPP} = (\text{MF} \times \text{MBP}) + \text{Optional Coverages}$$

E. Student Blanket

Coverage may be provided to cover students of an accredited school or university on a blanket basis for activities that are required as a part of the nursing school curriculum at the specified school or university. It is common for the school or university to apply for professional liability coverage on behalf of their nursing students. It is important to understand however, that the "Primary" Insured for any such coverage would be the students of the school, and not the school itself.

Student Blanket coverage is to be written using the Employed Individuals policy form and rates. The rates for this coverage are per student, and include the nursing school faculty members, but only as respects their supervision or instruction of the students being insured. The school itself may be added as an additional insured for a premium charge of 25% of the total student generated premium. The minimum premium for covering the school is \$100.

A separate aggregate limit of liability per student is available up to a \$3,000,000 maximum, at an additional charge of 5% of the total professional liability premium.

F. Full Time Equivalent (FTE).

This optional rating method is used for entities or firms who utilize one or more eligible health care professionals who are working on an average of less than 40 hours per week.

In accordance with the rate professional classifications, sum the total annual hours worked. Divide each of these classification totals by 2000 hours (one Full Time Equivalent) to establish the number of FTE slots to be charged. Fractions of FTE slots per applicable classification grouping will be rounded up to either Part Time or Full Time slots based upon the following:

- a. Between .01 and .50 will be considered one Part Time FTE and rated according XV. PREMIUM CALCULATION RULES. B. 1. Part Time discount.
- b. Between .51 and 1.00 will be considered one Full Time FTE.

G. Reporting of Exposures (Multiyear Policies).

Policies written for entities with a headcount of greater than 5, along with Student Blanket Policies, may be written for multiyear terms of either two or three years. The premiums for multiyear policies are equal to the **Total Policy Premium** times the number of years in the multiyear option desired.

The rate and discounts at policy inception will apply throughout the policy term with a requirement of reporting exposure changes (i.e., professionals, employees, office locations, etc.) on annual basis prior to the second and third effective dates.

Policies are otherwise written on a not-subject-to-audit basis.

XVII. Rates

Table I

Nurses Professional Liability Rate Table		
Basic Limits - \$1,000,000 / \$6,000,000		
Professional Classification	Employed Rate	Self-Employed Rate
Nurses Aides	60	180
Nurses Assistants, CNAs	60	180
LVNs and LPNs	60	180
Registered Nurses (RN)	80	240
General Duty Home Health	80	240
Critical Care/ER-OR incl RN 1 st Asst.	80	240
Post Anesthesia and Recovery	80	240
Organ Harvest and Transplant	120	360
OB/GYN Labor and Delivery	400	1200
Nurse Practitioner – Geriatric	350	1050
Nurse Practitioner – Family Planning	350	1050
Nurse Practitioner – Community Health	650	1950
Nurse Practitioner – Family Practice	650	1950
Nurse Practitioner – Industrial or School	650	1950
Nurse Practitioner – Medical/Surgical	650	1950
Nurse Practitioner – Women's Health*	350	1050
Nurse Practitioner – Neonatology	650	1950

**Nurses Professional and Supplemental Liability
General Rules**

NU - 12

Nurse Practitioner – Pediatric	650	1950
Nurse Practitioner – Psychiatric	500	1500
Nurse Practitioner – OB/GYN	800	2400
Students – Nurse Practitioner	60	n/a
Students – All Other Nurses Classes	12	n/a

* Excluding OB/GYN

1600 Arch Street
P.O. Box 7728
Philadelphia, PA 19101
(215) 241-4000

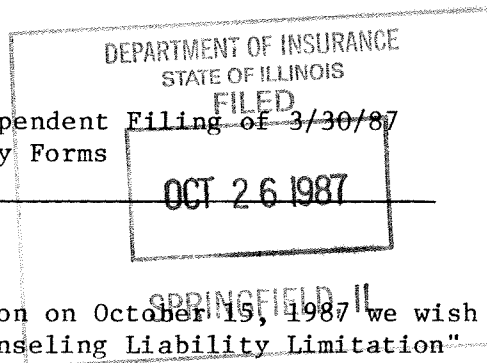


October 21, 1987

Attention: Steven J. Buckman
Insurance Analyst

Director of Insurance
State of Illinois
215 East Monroe Street
Springfield, Illinois 62767

Re: Excess Liability Insurance-Independent Filing of 3/30/87
New and Revised Excess Liability Forms
Our Filing Number 87-GL-0207



Dear Mr. Buckman:

Pursuant to our telephone conversation on October 15, 1987 we wish to withdraw form XS-5R20, "Pastoral Counseling Liability Limitation" endorsement.

Form XS-5R19, "Medical Malpractice and Professional Liability Limitation" endorsement applies to malpractice coverage for extended care facilities (nursing homes). The rates for these are as follows:

<u>Umbrella Limits</u>	<u>Underlying Limits</u>	Rate
		<u>Percent of Underlying Premium</u>
\$ 1,000,000	\$500,000	28%
	\$1,000,000	14%
2,000,000	\$500,000/\$1,000,000	10%
3,000,000	\$500,000/\$1,000,000	8%
4,000,000	\$500,000/\$1,000,000	6%
5,000,000	\$500,000/\$1,000,000	4%
6,000,000	\$500,000/\$1,000,000	3%
7,000,000	\$500,000/\$1,000,000	3%
8,000,000	\$500,000/\$1,000,000	3%
9,000,000	\$500,000/\$1,000,000	3%
10,000,000	\$500,000/\$1,000,000	3%

These rates apply to all companies listed below.

Page 2/October 21, 1987

Excess Liability Insurance-Independent Filing of 3/30/87
New and Revised Excess Liability Forms
Our Filing Number 87-GL-0207

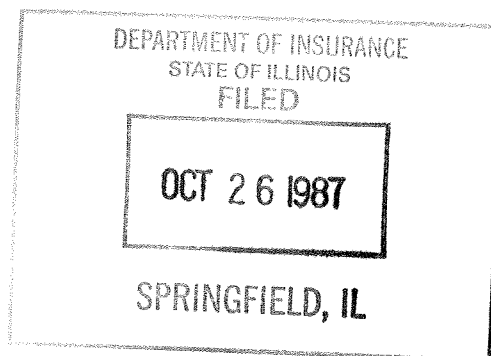
Your early approval will be greatly appreciated.

Very truly yours,

INSURANCE COMPANY OF NORTH AMERICA
INDEMNITY INSURANCE COMPANY OF NORTH AMERICA
BANKERS STANDARD INSURANCE COMPANY
INA INSURANCE COMPANY OF ILLINOIS

Elizabeth Bonsall

Elizabeth Bonsall
Filing Specialist
Filing and Regulation Department



COMMERCIAL LINES MANUAL
DIVISION SEVEN
PROFESSIONAL LIABILITY
EXCEPTION PAGE

ILLINOIS (12)

SECTION I - GENERAL RULES

Add the following rule E:

Additional Rules

E. AMENDMENT OF TERMINATION PROVISION

Attach Amendment of Policy Provisions for General Liability Endorsement GL 01 24 to all policies.

Endorsement GL 01 36 - Amendment of Termination Provision-Illinois must be attached to all claims-made policies issued in Illinois

Attach Amendment of Subrogation Condition Endorsement IL 01 34 to all policies.

SECTION II - MEDICAL PROFESSIONAL

22. CLAIMS MADE COVERAGE

D. EXTENDED REPORTING PERIOD
OPTION

Substitute the following for the second paragraph:

To provide coverages for the Extended Reporting Period Option, use Extended Reporting Period Endorsement GL 01 30 for the first extended reporting period and the second extended reporting period. A reporting period begins with the effective date of termination of the policy and ends one year later.

Substitute the following for the sixth paragraph:

Coverage for a Physician, Surgeon or Dentist who is retired or deceased, may be furnished by using the Optional Single Extended Reporting Period Endorsement GL 01 31.

25. LAWYERS PROFESSIONAL LIABILITY COVERAGE

The following wording must be attached to or imprinted on the declaration page of all claims made policies.

IMPORTANT NOTICE

THIS IS A "CLAIMS MADE" POLICY. SEE INSURING AGREEMENT X OF THE POLICY FOR INFORMATION CONCERNING THE OPTIONAL PURCHASE OF EXTENDED REPORTING PERIOD FOR CLAIMS ARISING AFTER THE TERMINATION OF THE POLICY.

RATE PAGE
MEDICAL PROFESSIONAL

\$100,000/\$300,000 RATES

Code Nos.		Rates	Code Nos.		Rates
M.D.	D.O.		M.D.	D.O.	
80238	84238	\$ 2,510.00	80278	84278	\$ 4,281.00
80240	84240	2,510.00	80279	---	4,281.00
80241	84241	2,510.00	80280	84280	4,281.00
80243	84243	2,510.00	80281	84281	4,281.00
80244	84244	2,510.00	80282	84282	4,281.00
80245	84245	2,510.00	80283	84283	4,281.00
80246	---	2,510.00	80284	84284	5,687.00
80247	---	2,510.00	80285	---	4,281.00
80248	---	2,510.00	80286	---	4,281.00
80249	84249	2,510.00	80287	---	4,281.00
80250	---	2,510.00	80288	84288	4,281.00
80251	84251	2,510.00	80289	84289	3,413.00
80252	84252	2,510.00	80290	---	4,281.00
80253	84253	2,510.00	80291	84291	4,281.00
80254	84254	2,510.00	80292	84292	3,981.00
80255	84255	2,510.00	80293	84293	6,255.00
80256	84256	2,510.00	80294	---	4,281.00
80257	84257	3,345.00	80321	---	2,510.00
80258	---	2,510.00	80322	---	4,281.00
80259	---	2,510.00	80323	---	9,165.00
80260	---	2,510.00	80324	---	10,103.00
80261	84261	2,510.00	80325	---	15,320.00
80262	84262	2,510.00	80326	---	18,365.00
80263	84263	2,007.00	80327	---	24,486.00
80264	---	2,510.00	80420	84420	3,345.00
80265	84265	2,510.00	80421	84421	5,687.00
80266	84266	2,342.00	80422	84422	9,165.00
80267	84267	3,680.00	80425	84425	9,165.00
80268	84268	2,510.00	80428	84428	9,165.00
80269	84269	2,510.00	80431	84431	9,165.00
80270	---	4,281.00	80434	84434	9,165.00
80271	---	4,281.00	80437	84437	9,165.00
80272	84272	4,281.00	80440	84440	5,219.00
80274	84274	4,281.00	80443	84443	5,219.00
80276	84276	4,281.00	80446	84446	5,219.00
80277	84277	4,281.00	80449	84449	5,219.00

ILLINOIS (12)

COMMERCIAL LINES MANUAL
DIVISION SEVEN
PROFESSIONAL LIABILITY

LEGAL
PROFESSIONAL
Subline Code (317)

RATE PAGE
LEGAL PROFESSION

Code No.	Rate
81400	\$1,000.00
81420	400.00

clm2.1

JUN - 1 1988

MISCELLANEOUS
PROFESSIONAL

COMMERCIAL LINES MANUAL
DIVISION SEVEN
PROFESSIONAL LIABILITY

ILLINOIS (12)

RATE PAGE
MISCELLANEOUS PROFESSIONAL

Code No.	Rates	Code No.	Rates
#07221	\$ 37.50	+80936	\$128.00
#07222	30.00	+80937	30.00
#07225	150.00	+80938	34.00
#07226	150.00	+80943	85.50
+59112	25.00	+80944	19.00
+80210	25.00	+80945	37.50
+80410	206.00	+80950	68.50
+80411	51.50	+80955	30.00
+80412	41.00	+80956	15.00
+80711	17.00	+80960	600.00
+80713	25.00	*80992	.30
+80714	25.50	+80993	342.00
*80715	2.80	+80994	75.00
+80911	34.00	+80995	150.00
+80912	51.50	+80998	25.00
+80935	85.50		

*Subline Code 220
+Subline Code 240
#Subline Code 317

RATE PAGE
MEDICAL PROFESSIONAL

\$100,000/\$300,000 RATES

Code Nos.		Territory Codes	Code Nos.		Territory Codes
M.D.	D.O.		M.D.	D.O.	
		001,002,003			001,002,003
80452	84452	\$1,071.00	80999	84999	***
---	84801	2,510.00			
---	84802	4,218.00			

***20% of the per person rate for each individual comprising the partnership.

clm1.1-

JUN - 1 1988

ILLINOIS (12)

COMMERCIAL LINES MANUAL
DIVISION SEVEN
PROFESSIONAL LIABILITY

EXCEPTION PAGE

SECTION I - GENERAL RULES
EXCEPTION TO COMMON GENERAL RULES

40. INCREASED LIMITS TABLES

TABLE III

HOSPITALS

AGGREGATE	Per Medical Incident						
	100	150	200	250	300	500	1000
300	1.00 (52)	1.14 (56)			1.34 (66)		
500	1.04 (53)	1.23 (56)	1.38 (57)	1.49 (61)	1.57 (66)	1.80 (67)	
600			1.41 (58)	1.54 (63)	1.64 (66)	1.93 (70)	
1000						2.17 (68)	2.73 (71)
1500						2.27 (69)	3.04 (73)
2000							3.20 (73)
3000							3.29 (72)

COMMERCIAL LINES MANUAL
DIVISION SEVEN
PROFESSIONAL LIABILITY

ILLINOIS (12)

TERRITORY PAGE

Legal Professional(Subline Code 317)

ENTIRE STATE 999

Medical Professional

Miscellaneous Liability -
Professional - Excluding
Veterinarians Professional
Liability(Subline Codes 220
or 240)
Physicians, Surgeons and Dentists
Professional Liability(Subline Code
230)

Cook County 001

REMAINDER OF STATE 002

Veterinarian Professional
Liability(Subline Code 317)

ENTIRE STATE 999

FILING MEMORANDA

Social Services Professional Liability Endorsement

The purpose of this endorsement is to provide professional liability coverage for nurses, physiotherapists and certain other professional type individuals who are employed by or volunteer their services to social services agencies.

Rates for nurses and physiotherapists are obtained directly from the Commercial Lines Manual. However, for other professional type individuals for whom there are no published rates, we will use the Guide (a) Rates attached. It is our determination that Guide (a) Rates must be used for these classes as there is no past experience available to us to develop actuarially sound manual rates.

Social Service Liability Retroactive Coverage Endorsement

The purpose of this endorsement is to provide general liability coverage under the current policy for acts, errors, omissions or occurrences which took place during the previous "claim-made" policy's term but were reported after the expiration of such policy.

Since, to the best our knowledge, this coverage has never previously been provided this will be (a) rated. However, the following may be potentially considered as a guideline for rating this endorsement:

<u>Number of Years The Risk Was In A Claims-Made Program</u>	<u>Rating Percentage</u>
1	80%
2	150%
3	210%
4	260%
5 or more	300%

Contract Workers as Employees Endorsement

The purpose of this endorsement is to modify the definition of "employee" to include coverage for a "contract worker" and provide a definition of the term "contract worker." It is to be used only in conjunction with the Social Services Professional Liability Endorsement.

Endorsement will be attached to all policies which have a "contract worker" exposure for no additional premium charge.

Professional Liability Exclusion Endorsement

Exclusionary endorsement to be used when a Social Service Agency advises that they do not desire the attachment of the Social Services Professional Liability Endorsement.

Social Services Professional Liability Endorsement

	<u>Light</u>	<u>Medium</u>	<u>Heavy</u>
Psychologist	420	525	1050
Licensed Counselor, Therapist Master Degree Counselor, Sociologist or Social Worker	80	105	210
Other Counselor or Social Worker	40	55	105
Case Worker, Clergy, Teacher, Instructor, or Nutritionist	20	30	55

Nurse, Physiotherapist, Pharmacist and any other class for which there is an ISO class, shall be rated in accordance with the Commercial Lines Manual.

Rates apply per full time employee or volunteer. Part time service hours may be aggregated to full time equivalency by profession. Above rates are at basic limits of \$25,000 Per Incident/\$75,000 Aggregate. Increased limits factors to be applied are to be determined from Table VII of Division Seven, Professional Liability, of the Commercial Lines Manual.

Basic Limits Minimum Premium for this endorsement is \$200.

Premium for this endorsement will not be modified by any package discounts nor experience/schedule rating plans.

Determination of Light, Medium and Heavy classifications shown on Attachment I.

APR 27 1989

Social Services Professional
Liability Endorsement Exposures

- Light - Those agencies or organizations providing only non-professional or quasi-professional services of an innocuous nature. They include, but are not limited to, the following:
- Information and referral services
 - Fund raising organizations
 - Volunteer recruitment and training programs
 - Cultural/linguistic assimilation programs
 - Social/recreational programs
 - Art/Music instruction
 - Peer counseling (without professional supervision)
 - Client advocacy organizations (no individual clients)
- Medium - Agencies providing services including, but not limited to, the following:
- Marriage and family counseling
 - Individual counseling (stress, career etc.)
 - Day care centers/schools for physically and mentally healthy children
 - Day care or in-home assistance to the elderly (not nursing health care or nursing/convalescent homes)
 - Visiting Nurses
 - Vocational education/training/sheltered workshops
 - Independent living
 - Homeless counseling/shelters
 - Counseling developmentally disabled
 - Case management (after initial treatment or counseling)
 - Hotlines (not crisis intervention)

Heavy - Agencies providing services including, but not limited to, the following:

- Counseling/residential for battered women
- Counseling/residential for abused children
- Counseling/residential for drug abusers
- Counseling/residential for alcoholics
- Big Brother/Big Sister
- Residential care for children
- Foster care/adoption programs
- Crisis intervention
- Residential care for developmentally disabled
- Mental health counseling for emotionally disturbed or maladjusted
- Day care/schools for mentally troubled/disabled or physically handicapped/disabled

NOTE: Many of these services may be provided on either an outpatient or residential basis. Rates on the chart are based on outpatient care. Residential programs are to be priced at higher levels in consideration of twenty-four hour care and responsibility.

APR 27 1989

CIGNA Companies

Social Services Liability Retroactive Coverage Endorsement

Premium to be charged for this endorsement shall be determined separately for each individual risk, however, it shall not exceed 3.00 times the otherwise calculated annual premium for the general liability coverage, including the premium for the Social Services Professional Liability Endorsement. Premium for this endorsement will not be modified by any package factors nor experience/schedule rating plans.

APR 27 1989

Contract Workers As Employees Endorsement

This endorsement is to be used in conjunction with the Social Services Professional Liability Endorsement. The purpose of this endorsement is to modify the definition of "employee" to include coverage for a "contract worker" and provide a definition of the term "contract worker."

This endorsement shall be applied to all policies which contain the Social Services Professional Liability Endorsement and there is a "contract worker" exposure.

There is no additional charge for the attachment of this endorsement. Attachment of this endorsement will result in "contract workers" being rated as any other employee as indicated on CIGNA (a) Rate Manual Exception Page SSPL-1.

Professional Liability Exclusion Endorsement

This endorsement is to be attached to policies for Social Service Agencies when they have requested that the Social Services Professional Liability Endorsement not be attached to their policy.

There is no charge nor premium reduction for this endorsement.

COMMERCIAL PACKAGE PROGRAM

HOSPITAL-MEDICAL
INSTITUTION POLICY

PACKAGE EXCEPTIONS

I. THE FOREGOING RULES APPLY WITH THE FOLLOWING EXCEPTIONS:

A. General Rates and Rating Plans

1. Rule II. C. - Policy Factors, Allied Insurance Company is amended as follows:

A policy factor of 1.18 will be used for all rates contained on the Package Exceptions and Territorial page for the Hospital-Medical Institution Policy when writing an Allied Insurance Company policy.

Note: When the Hospital-Medical Institution Policy is written in companies other than Allied Insurance Company the policy factors do not apply to rates found in the Package Exceptions and Territorial pages.

2. Rule I. E. - Premium Computation - Other Coverages and Perils is amended by the addition of the following:

a. REHABILITATION FACILITIES - Section II

(1.) A facility operated for the primary purpose of assisting in the rehabilitation of physically disabled persons through an intergrated program of physical therapy, occupational therapy, speech therapy, psychological services, social services and educational services

(2.) Annual Rates "Per Individual"

- (a.) Contemplate \$300,000 Single Limit - Premises - Operations
- (b.) Contemplate \$300,000 per claim/\$300,000 aggregate-Professional Liability
- (c.) Apply "per Individual" and the type of direct service(s) received.
- (d.) Contemplate direct service(s) received at facility premises, satellite service locations, mobile units and home therapy.
- (e.) DO NOT contemplate medical services and psychotherapy other than shown below.

Direct Services Received by Individual

	Territory	Occupational Therapy and Other Services*	Physical Therapy	Receiving both Occupational and Physical Therapy
#	AR, KS, ND, NM, SC, SD VA, WV, & WY	\$0.60	\$0.85	1.23
#	AL, DE, GA, ID, IA, KY MA & TN	0.85	1.15	1.70
	AK, CO, IN, MD, ME, NE NV, OH, OK, OR, PA, & RI	1.15	1.45	2.21
#	AZ, FL, MI, MT, UT, VT & WA	1.40	1.85	2.76
	CT, DC, IL, LA, MN, MO, NH, NJ, & WI	1.85	2.45	3.66
	CA	2.50	6.00	7.23
	NY City	2.50	4.25	5.74
	NY Remainder	2.50	3.25	4.89

Annual Minimum Premium Per Underwriting Location - \$130.

Standard Limits Premium Factor for Experience Rating - 0.769.

If individuals also reside at the facility, increase the applicable rate by 20%.

To add employees as Insureds - 10% of facility premium plus \$25 for each physiotherapist.

*Speech Therapy, Psychological Testing and Counseling, Social Services and Educational Services.

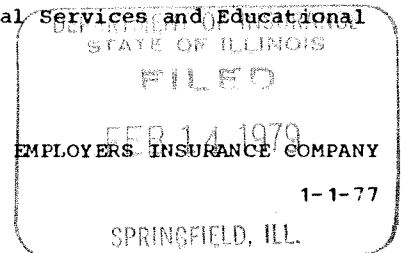
INSURANCE COMPANY OF NORTH AMERICA - ALLIED INSURANCE COMPANY - PACIFIC EMPLOYERS INSURANCE COMPANY

Flex II - Revised

HMI 1 - 1

1-1-77

SPRINGFIELD, ILL.



COMMERCIAL PACKAGE PROGRAM

HOSPITAL-MEDICAL
INSTITUTION POLICY

PACKAGE EXCEPTIONS

(3.) Decreased Limits Table

<u>Limits</u>		<u>Factor</u>	<u>Add for Basic Charges</u>
Premises-Operations-Professional Liability			
Single Limit	Per Claim/Aggregate		
100,000	100,000/100,000	0.907	\$ 5
300,000	300,000/300,000	1.000	\$25

3. Rule I. E. - Premium Computation - Other Coverages and Perils is amended by the addition of the following:

a. Convalescent or Nursing Homes

(1.) Classifications

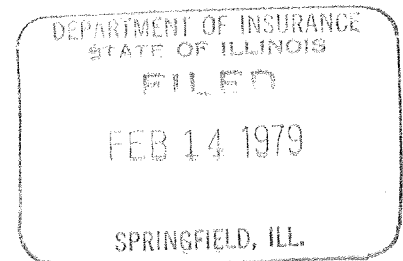
None of the following include mental-psychopathic or governmental institutions. All include premises-operations, completed operations and professional liability.

<u>Class</u>	<u>Description</u>
A	Convalescent or Nursing Homes - provides "skilled nursing care" and related medical services to individuals who are not acutely ill and not in need of hospital care, but who are sick, injured, or convalescent. Less than 75% of the patients are over age of 65.
B	Skilled Nursing Home - provides "skilled nursing care" as its primary and predominant function. 75% or more of the patients over age 65.
C	Personal Care Home - With skilled nursing - provides "skilled nursing care" but only as an adjunct to its primary domiciliary or "personal care" function. 75% or more of the patients over age 65.
D	Personal Care Home - Without skilled nursing - provides only "personal care" with no "skilled nursing care". 75% or more of the patients over age 65.

(2.) DEFINITIONS

"Skilled Nursing Care" - means services and procedures used to care for individuals which require knowledge, skills and technical competence which are ordinarily not available to the nonprofessional. Homes with skilled nursing should therefore include registered nurses, licensed practical or vocational nurses, and all medical services short of those required for major surgery.

"Personal Care" - means a broad range of assistance to individuals who, though not in need of skilled nursing, may require help in such matters as washing, eating, bathing, dressing, walking, taking of medication and preparation of special diets.



COMMERCIAL PACKAGE PROGRAM

HOSPITAL-MEDICAL
INSTITUTION POLICY

PACKAGE EXCEPTIONS

(3.) COMBINATION FACILITIES

If a risk is a "combination facility", each separate identifiable unit described by a classification shall be separately rated.

An identifiable unit is a wing or floor designated, staffed and equipped to provide a level of care as described in each classification.

"Combination Facility" means a facility with identifiable units in two or more of the following classifications:

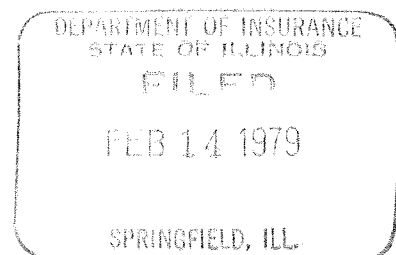
- A Convalescent or Nursing Homes
- B Skilled Nursing Home
- C Personal Care Home - with skilled nursing
- D Personal Care Home - without skilled nursing

(4.) RATES

Rates are found in the Territorial pages.

(5.) INCREASED LIMITS TABLE

<u>Limits</u>		<u>Factors</u>		<u>Basic</u>
Premises-Operations Single Limit	Professional Liability per claim/aggregate	Class <u>A, B or C</u>	Class <u>D</u>	<u>Charges</u>
100,000	100,000/100,000	1.00	1.00	\$ 5
300,000	300,000/300,000	1.20	1.10	25
500,000	500,000/500,000	1.28	1.18	50
1,000,000	1,000,000/1,000,000	1.41	1.30	115



INSURANCE COMPANY OF NORTH AMERICA - ALLIED INSURANCE COMPANY - PACIFIC EMPLOYERS INSURANCE COMPANY

COMMERCIAL PACKAGE PROGRAM

HOSPITAL-MEDICAL
INSTITUTION POLICY

TERRITORIAL

I. THE FOREGOING RULES APPLY WITH THE FOLLOWING EXCEPTIONS:

A. Package Exceptions

1. Rule I. A. 3. - Convalescent or Nursing Homes is amended to include the following rates:

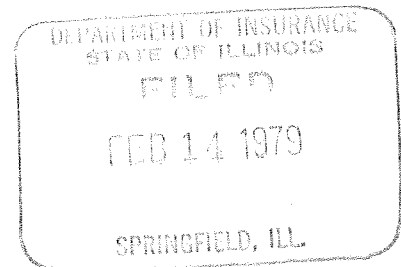
ANNUAL RATES PER BED

Premises-Operations - 100,000 Single Limit
Professional Liability - 100,000 Per Claim/
100,000 Aggregate Limit

OL&T Terr. Code	Class			
	A	B	C	D
01, 06 & 07	\$ 35	\$ 27	\$ 15	\$ 9
04	36	27	15	9
08, 09 & 14	34	26	15	9

Annual Minimum Premium Per Location - 10 times Annual Rate Per Bed.

Standard Limits Premium Factor for Experience Rating--.555



INSURANCE COMPANY OF NORTH AMERICA - ALLIED INSURANCE COMPANY - PACIFIC EMPLOYERS INSURANCE COMPANY

Flex II - Original

HMI 2 - 1 (IL)

1-7-76

INSURANCE SERVICES OFFICE

HOSPITAL PROFESSIONAL LIABILITY AND INCIDENTAL LIABILITY EXPERIENCE AND SCHEDULE RATING PLAN

1. ELIGIBILITY

The term "risk" as used in this Plan means the exposures of any one insured (including Additional Interests) which are to be rated. Allied or subsidiary interests shall not be included unless the insured holds a majority financial interest therein.

This Plan shall not apply to any risk classified as a Convalescent or Nursing Home. Individuals other than Additional Interests shall not be eligible for rating under this Plan, and neither shall this Plan apply to any exposures other than Hospital Professional Liability and Incidental Liability.

2. RATING PROCEDURES

The experience modification for the risk for the lines of Hospital Professional Liability and Incidental Liability shall be developed in accordance with the experience rating procedure described herein.

In addition to the experience modification, a rate modification reflecting specified characteristics of the risk may be applied in accordance with the Schedule Rating Table which is a part of the Plan.

The rate modification contemplates the standard allowance for expenses. If the expenses are less than standard, such modification if a credit shall be increased, or if a debit shall be decreased, by the amount of reduction in expenses.

3. EXPERIENCE USED

The experience modification shall be determined from the latest available five years of experience in this state or in all states incurred by the company establishing the rating. In the event that the experience for the full five year period is not available, the total experience (subject to a minimum of one completed policy year) which is available shall be used in determining the experience modification.

The experience period shall end at least one year prior to the effective date of the experience modification being established. Experience incurred by companies other than the company establishing the rating, or self-insured experience, may be used subject to the periods described above, and given credence in accordance with its apparent reliability.

This plan is designed to apply to experience on an occurrence basis, and the resulting modification is appropriate regardless of whether the renewal policy will be an occurrence or a claims-made policy. Experience on a claims-made basis, however, should not be included in a rating using this plan.

- (b) The amount of each loss (indemnity amount plus allocated claim expense) is limited by the maximum single loss (MSL) value specified in the Credibility and Maximum Single Loss Table* based on the "Basic Limits Premium Subject to Experience Rating" for Hospital Professional^Ø and Incidental Liability combined.

(ii) Adjustment to Reflect Ultimate Level of Losses

This adjustment is calculated for each year in the experience period by multiplying the HPL premium (P) by the adjusted expected loss ratio (AELR) and by the appropriate basic limits loss development factor (LDF), where

- (a) P is the "Basic Limits Premium Subject to Experience Rating" for Hospital Professional Liability^Ø insurance for each year in the experience period, as calculated in Rule 4C.
- (b) AELR is the adjusted expected loss ratio specified in the Credibility and Maximum Single Loss Table* based on the "Basic Limits Premium Subject to Experience Rating" (for Hospital Professional Liability^Ø and Incidental Liability combined, for all years of the experience period);
- (c) LDF** is the appropriate basic limits loss development factor chosen according to state and maturity from the ISO advisory tables below, or the factor currently in use by the company:

Use Table I for:	Use Table II for:		Use Table III for:	
California	Arizona	Mississippi	Oklahoma	Alabama
Connecticut	Arkansas	Missouri	Rhode Is.	Colorado
Illinois	Delaware	Montana	S. Carolina	Georgia
Indiana	Dist. of Col.	Nebraska	Utah	Kentucky
Michigan	Florida	Nevada	Vermont	Maryland
New York	Idaho	N. Hampshire	Virginia	Minnesota
Pennsylvania	Iowa	N. Jersey	Washington	Oregon
Texas	Kansas	N. Mexico	W. Virginia	S. Dakota
Hawaii	Louisiana	N. Carolina	Wisconsin	Tennessee
	Maine	N. Dakota	Wyoming	
	Massachusetts	Ohio	Alaska	
			Puerto Rico	

(This list does not imply that the Plan may be used in all jurisdictions. Refer to ISO status circulars for information on applicability.)

* See Appendix I for appropriate Credibility and MSL Table

**See Appendix II for treatment of immature losses due to change of insurance carrier.

Ø including Additional Interests

5. SCHEDULE RATING

In addition to the experience modification, a rate modification reflecting specified characteristics of the risk may be applied in accordance with the Schedule Rating Table below. Such characteristics may be either (1) known characteristics of the risk which are not reflected in its experience or manual rate, or (2) changes in the nature of the risk since the end of the experience period.

		Maximum Credit/Debit 25% Total	
		Credit (up to)	Debit (up to)
A.	Existence of an effective medical audit system which includes surgical procedures and ties into the physician credentialing process.	10%	XXX
B.	Lack of above.	XXX	10%
C.	Existence of an effective management level <u>patient safety committee</u> .	5%	XXX
D.	Lack of above.	XXX	5%
E.	Existence of an effective <u>patient incident reporting and analysis system</u> which includes all hospital and medical staff.	5%	XXX
F.	Lack of above.	XXX	5%
G.	Existence of effective <u>continuing educational programs</u> for:		
	i. Nurses	2%	XXX
	ii. Physicians	2%	XXX
H.	Lack of above: i. Nurses	XXX	2%
	ii. Physicians	XXX	2%
I.	Accreditation by Joint Commission on Accreditation of Hospitals (or Certification by Medicare).	5%	XXX
J.	Lack of above.	XXX	5%
K.	Compliance with <u>National Fire Protection Association Standards</u> .	5%	XXX
L.	Lack of above.	XXX	5%
M.	Effective <u>preventive maintenance</u> of professional and other equipment.	3%	XXX
N.	Lack of above.	XXX	3%
O.	Compliance with insurance company loss prevention <u>recommendations</u> , if any, relating to items other than the above.	10%	XXX
P.	Non-compliance with "O." above.	XXX	10%

APPENDIX I

EXPERIENCE AND SCHEDULE RATING PLAN
CREDIBILITY AND MAXIMUM SINGLE LOSS TABLE

SUBJECT	PREMIUM	CRED.	AEIR	MSL	SUBJECT	PREMIUM	CRED.	AEIR	MSL	SUBJECT	PREMIUM	CRED.	AEIR	MSL
1 -	2284	0.01	0.084	3800	62559 -	66220	0.36	0.287	20200	359476 -	376316	0.71	0.491	76250
2285 -	3946	0.02	0.089	4100	86221 -	90000	0.37	0.293	20950	376317 -	395454	0.72	0.497	79900
3847 -	5440	0.03	0.095	4400	90001 -	93932	0.38	0.299	21700	395455 -	416038	0.73	0.503	83000
5441 -	7068	0.04	0.101	4750	93903 -	97934	0.39	0.305	22500	416039 -	438235	0.74	0.509	88050
7069 -	8730	0.05	0.107	5050	97935 -	102101	0.40	0.311	23300	438236 -	462245	0.75	0.515	92600
8731 -	10428	0.06	0.113	5400	102102 -	106410	0.41	0.317	24150	462246 -	488298	0.76	0.520	97550
10429 -	12162	0.07	0.119	5750	106411 -	110870	0.42	0.322	25000	488299 -	516667	0.77	0.526	102950
12163 -	13934	0.08	0.124	6100	110871 -	115437	0.43	0.328	25900	516668 -	547674	0.78	0.532	108600
13935 -	15746	0.09	0.130	6450	115438 -	120270	0.44	0.334	26850	547675 -	581707	0.79	0.536	115250
15747 -	17598	0.10	0.136	6800	120271 -	125229	0.45	0.340	27800	581708 -	618243	0.80	0.544	122300
17599 -	19492	0.11	0.142	7150	125230 -	130374	0.46	0.346	28800	618244 -	654914	0.81	0.549	129450
19493 -	21429	0.12	0.148	7550	130375 -	135714	0.47	0.351	29850	654915 -	691586	0.82	0.554	136400
21430 -	23410	0.13	0.153	7950	135715 -	141252	0.48	0.357	30900	691587 -	728257	0.83	0.558	143200
23411 -	25439	0.14	0.159	8350	141263 -	147030	0.49	0.363	32050	728258 -	764928	0.84	0.562	149800
25440 -	27515	0.15	0.165	8750	147031 -	153030	0.50	0.369	33200	764929 -	801599	0.85	0.565	156300
27516 -	29641	0.16	0.171	9150	153031 -	159278	0.51	0.375	34400	801600 -	839271	0.86	0.568	162600
29642 -	31818	0.17	0.177	9600	159279 -	165739	0.52	0.381	35700	839272 -	874942	0.87	0.571	168800
31819 -	34049	0.18	0.183	10000	165740 -	172531	0.53	0.386	37000	874943 -	911613	0.88	0.574	174600
34050 -	36335	0.19	0.188	10450	172532 -	179670	0.54	0.392	38350	911614 -	948284	0.89	0.577	180700
36336 -	38679	0.20	0.194	10950	179671 -	187079	0.55	0.398	39800	948285 -	984956	0.90	0.579	186500
38680 -	41083	0.21	0.200	11400	187080 -	194838	0.56	0.404	41300	984957 -	1021627	0.91	0.581	192150
41084 -	43548	0.22	0.206	11900	194839 -	202941	0.57	0.410	42900	1021628 -	1058298	0.92	0.583	197650
43549 -	46078	0.23	0.212	12350	202942 -	211446	0.58	0.416	44500	1058299 -	1094969	0.93	0.585	203050
46079 -	48675	0.24	0.218	12900	211447 -	220370	0.59	0.421	46250	1094970 -	1131641	0.94	0.586	208350
48676 -	51342	0.25	0.223	13400	220371 -	229747	0.60	0.427	48050	1131642 -	1168312	0.95	0.588	213500
51343 -	54082	0.26	0.229	13950	229748 -	239610	0.61	0.433	49950	1168313 -	1204983	0.96	0.589	218600
54083 -	56897	0.27	0.235	14500	239611 -	250000	0.62	0.439	51950	1204984 -	1241655	0.97	0.591	223550
56898 -	59790	0.28	0.241	15050	250001 -	260959	0.63	0.445	54100	1241656 -	1278326	0.98	0.592	228400
59791 -	62766	0.29	0.247	15650	260960 -	272535	0.64	0.450	56300	1278327 -	1314997	0.99	0.593	233150
62767 -	65827	0.30	0.252	16250	272536 -	284783	0.65	0.456	58650	1314998 -	*****	1.00	0.595	237850
65828 -	68978	0.31	0.258	16850	284784 -	297751	0.66	0.462	61150					
68979 -	72222	0.32	0.264	17500	297762 -	311538	0.67	0.468	63800					
72223 -	75564	0.33	0.270	18150	311539 -	326191	0.68	0.474	66600					
75565 -	79008	0.34	0.276	18900	326191 -	341804	0.69	0.480	69600					
79009 -	82558	0.35	0.282	19500	341804 -	358475	0.70	0.485	72800					

TABLE A

APPENDIX I

EXPERIENCE AND SCHEDULE RATING PLAN CREDIBILITY AND MAXIMUM SINGLE LOSS TABLE

TABLE C

SUBJECT	PREMIUM	CRED.	AELR	MSL	SUBJECT	PREMIUM	CRED.	AELR	MSL	SUBJECT	PREMIUM	CRED.	AELR	MSL
1 -	6853	0.01	0.460	63800	247675 -	258661	0.36	0.536	113050	1075425 -	1126947	0.71	0.604	261100
6854 -	11539	0.02	0.470	64750	258662 -	270000	0.37	0.539	115250	1126948 -	1186363	0.72	0.606	292050
11339 -	16321	0.03	0.472	65650	270001 -	281707	0.38	0.540	117550	1186364 -	1248113	0.73	0.608	303850
16332 -	21204	0.04	0.474	66600	281708 -	293802	0.39	0.542	119900	1248114 -	1314706	0.74	0.610	316550
21205 -	26190	0.05	0.476	67600	293803 -	306302	0.40	0.544	122300	1314707 -	1386735	0.75	0.612	330250
26191 -	31203	0.06	0.478	68600	306303 -	319231	0.41	0.546	124650	1386736 -	1464894	0.76	0.614	345100
31204 -	36466	0.07	0.480	69600	319232 -	332609	0.42	0.548	127450	1464895 -	1550000	0.77	0.615	361250
36467 -	41803	0.08	0.482	70650	332610 -	346460	0.43	0.549	130150	1550001 -	1643023	0.78	0.617	378950
41804 -	47238	0.09	0.483	71700	346461 -	360811	0.44	0.551	132950	1643024 -	1745121	0.79	0.619	398150
47239 -	52793	0.10	0.485	72800	360812 -	375698	0.45	0.553	135800	1745122 -	1854729	0.80	0.619	398150
52794 -	58475	0.11	0.487	73900	375699 -	391121	0.46	0.555	138600	1854730 -	1964742	0.81	0.619	398150
58476 -	64286	0.12	0.489	75050	391122 -	407143	0.47	0.557	141950	1964743 -	2074757	0.82	0.619	398150
64287 -	70231	0.13	0.491	76250	407144 -	423786	0.48	0.559	145150	2074758 -	2184771	0.83	0.619	398150
70232 -	76316	0.14	0.493	77400	423787 -	441089	0.49	0.561	148550	2184772 -	2294784	0.84	0.619	398150
76317 -	82544	0.15	0.495	78650	441090 -	459091	0.50	0.563	152000	2294785 -	2404798	0.85	0.619	398150
82545 -	88922	0.16	0.497	79900	459092 -	477835	0.51	0.565	155650	2404799 -	2514812	0.86	0.619	398150
88923 -	95455	0.17	0.499	81150	477836 -	497338	0.52	0.567	159450	2514813 -	2624826	0.87	0.619	398150
95456 -	102147	0.18	0.501	82450	497339 -	517742	0.53	0.569	163400	2624827 -	2734840	0.88	0.619	398150
102148 -	109006	0.19	0.503	83800	517743 -	539011	0.54	0.571	167500	2734841 -	2844854	0.89	0.619	398150
109007 -	116038	0.20	0.505	85200	539012 -	561236	0.55	0.573	171850	2844855 -	2954868	0.90	0.619	398150
116039 -	123249	0.21	0.507	86600	561237 -	584493	0.56	0.575	176350	2954869 -	3064882	0.91	0.619	398150
123250 -	130645	0.22	0.509	88050	584494 -	608653	0.57	0.577	181050	3064893 -	3174895	0.92	0.619	398150
130646 -	138235	0.23	0.511	89550	608654 -	634337	0.58	0.579	185950	3174896 -	3284909	0.93	0.619	398150
138236 -	146026	0.24	0.513	91050	634338 -	661111	0.59	0.581	191150	3284910 -	3394924	0.94	0.619	398150
146027 -	154027	0.25	0.515	92600	661112 -	689240	0.60	0.582	196600	3394925 -	3504937	0.95	0.619	398150
154028 -	162245	0.26	0.516	94200	689241 -	718631	0.61	0.584	202300	3504938 -	3614951	0.96	0.619	398150
162246 -	170690	0.27	0.518	95850	718632 -	750000	0.62	0.586	208300	3614952 -	3724965	0.97	0.619	398150
170691 -	179371	0.28	0.520	97550	750001 -	782877	0.63	0.588	214650	3724966 -	3834979	0.98	0.619	398150
179372 -	188299	0.29	0.522	99300	782878 -	817606	0.64	0.590	221350	3834980 -	3944992	0.99	0.619	398150
188299 -	197482	0.30	0.524	101100	817607 -	854348	0.65	0.592	228400	3944993 -	*****	1.00	0.619	398150
197483 -	206934	0.31	0.526	102950	854349 -	893283	0.66	0.594	235900					
206935 -	216667	0.32	0.528	104850	893284 -	934615	0.67	0.596	243850					
216668 -	226697	0.33	0.530	106800	934616 -	978571	0.68	0.598	252300					
226693 -	237023	0.34	0.532	108900	978572 -	1025410	0.69	0.600	261250					
237024 -	247674	0.35	0.534	110900	1025411 -	1075424	0.70	0.602	270850					

HOSPITAL PROFESSIONAL LIABILITY AND INCIDENTAL LIABILITY
EXPERIENCE AND SCHEDULE RATING PLAN

ISQ ADVISORY BASIC LIMITS LOSS DEVELOPMENT FACTORS

	<u>6 mos.</u>	<u>9 mos.</u>	<u>12 mos.</u>	<u>15 mos.</u>
TABLE I	.91	.83	.73	.66
TABLE II	.84	.68	.50	.41
TABLE III	.76	.52	.25	.17

EMERGENCY SERVICE ORGANIZATION SPECIAL LIABILITY COVERAGE

IV. The premium for Professional Health Care Liability Coverage for "For Profit" organizations shall be determined using the following procedure:

Step 1. Determine territory from STATE TERRITORY schedule.

Step 2. Determine basic limit premium per ambulance for the territory from the Rate Schedule.

Step 3. Determine the Adjusted Emergency/Non-Emergency Premium Factor from the Adjustment Schedule.

Step 4. Determine the adjusted basic limits premium per ambulance for each territory by applying the factor from Step 3 to the basic limits premium from Step 2. The result is subject to a minimum premium of \$250.

Step 5. Apply the appropriate increased limits factor from Premises Operation Table 3 - to the premium determined in Step 4., above.

Step 6. Multiply the per ambulance premium determined in Step 5. by the number of ambulances in the territory.

Step 7. Total the premium charge for all territories.

Step 8. Modify the total premium determined in Step 7 by the appropriate factor from the Individual Risk Modifier Schedule.

Adjustment Schedule

1. Nonemergency (1.00) x ____% of runs= _____
+
 2. Emergency BLS* (1.25) x ____% of runs= _____
+
 3. Emergency ALS** (1.50) x ____% of runs= _____
 4. Adjusted Emergency/Nonemergency Premium Factor=
(Total 1.-3. above) _____
- * BLS is Basic Life Support
** ALS is Advanced Life Support

Individual Risk Modifier Schedule

The following risk modifications may be applied to recognize special characteristics not fully reflected in the determination of the basic premium:

CONDITION	CREDIT	DEBIT
Proximity to Metropolitan Area	10%	10%
Management Experience	10%	10%
Staffing (age, experience, years of service, employee turnover)	10%	10%
Dispatching (controls, dispatching for others, etc.)	10%	10%
Knowledge of Geographic Territory (routes to hospitals, size of service area)	10%	10%
Contractual Obligations (mandated response times, etc.)	10%	10%
Quality Assurance Programs (training, audit, peer review, record keeping)	20%	20%
Condition of Equipment	10%	10%
Loss Control/Risk Management Program	10%	10%
Maximum Credit or Debit	25%	25%

CIGNA PROPERTY AND CASUALTY COMPANIES

Original

5/92

JUN - 2 1992

State Territory Schedule

Territory 1 -- Cook County
Territory 2 -- Remainder of State

Rate Schedule

Basic Limits (25,000 per occurrence/\$50,000 aggregate) rates.

Territory 1 - \$400
Territory 2 - \$250

Original

CIGNA PROPERTY AND CASUALTY COMPANIES

5/92

JUN - 2 1992

I. APPLICATION OF MANUAL

- A. The rules contained in these pages govern the writing of Professional and General Liability policies for Allied Health professionals.
- B. The rules, rates, rating plans and forms filed on behalf of the Company, and not in conflict herewith, will govern in all cases not specifically provided for herein.

~~Deleted: will~~

~~Deleted: Supplemental~~

II. POLICY TERM

- A. Policies may be written for a term of one year and renewed annually thereafter.

Coverage may be extended for a period not to exceed sixty (60) days beyond expiration date, subject to the consent of the Company and the rates and forms in effect for the expiring policy term. Premiums for this extension shall be calculated on a pro-rata basis.

Coverage may be renewed, subject to the consent of the Company, for additional periods by payment of a premium calculated according to the company's rates, rules and forms in effect at the time of renewal.

~~Deleted: for individuals~~

~~Deleted:~~

~~Deleted: Policies for Entities with a headcount of greater than 5 and Student Blanket policies may be written for a period of one, two or three years. Multiyear policies are subject to reporting provisions as explained hereunder. Premiums for policy terms of less than one year shall be calculated on a pro-rate basis. ¶~~

~~¶~~

~~Deleted: subject to~~

III. PREMIUM COMPUTATION

- A. Premiums at policy inception will be computed using rules, rates and rating plan in effect at that time.
- B. When a policy is issued for other than a whole year, the premiums will be computed on a pro-rata basis.

IV. FACTORS OR MULTIPLIERS

Unless otherwise noted, factors or multipliers are to be applied consecutively, as opposed to being added together.

V. POLICY WRITING MINIMUM PREMIUM

No policy minimum premium applies.

VI. WHOLE DOLLAR RULE

- A. The premium for each peril, coverage or exposure for which a separate premium is calculated will be rounded to the nearest whole dollar as follows:
1. Any value involving \$.50 or more will be rounded up to the next highest whole dollar amount.
 2. Any value involving \$.49 or less will be rounded down to the next lowest whole dollar amount.

VII. ADDITIONAL PREMIUM CHARGES

- A. All coverage changes or additions involving additional premiums will be pro-rated based upon the effective date of the change.
- B. The rates and rules that were in effect at the inception date of the policy period are to be used in all additional premium calculations.
- C. Additional premiums of \$24 or less may be waived. This waiver only applies to charges due on the effective date of change endorsements.

~~Deleted: Revised~~

~~Deleted: 2000~~

VIII. RETURN PREMIUMS

- A. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
- B. Return premiums are computed using rates in effect at the policy inception.
- C. Return premiums are computed pro rata and rounded in accordance with the whole dollar rule when any coverage or exposure is deleted, or an amount of insurance is reduced.

IX. POLICY CANCELLATIONS

- A. This policy may be canceled flat by the Insured within 60 days of the effective date. Evidence of such cancellation must be received by the Company within the 60-day period.
- B. Any cancellation initiated by the Company more than 60 days from inception will be computed on a pro-rata basis.
- C. Cancellation initiated by the Insured will be computed pro rata less a penalty of 10% unless the same coverage is rewritten by the Company, in which case no penalty shall be applied.

X. COVERAGE

- A. Professional Liability is available on an occurrence or claims made basis.
- B. General Liability is provided on an occurrence or claims made basis.

XI. ELIGIBILITY

Rate Tables I and II under Section XVI of these rules list the categories of service providers that are eligible for coverage.

The following additional eligibility/rating criteria apply to entities:

- 1. Entities with more than 75 full time equivalent employees will be written on a Refer to Company basis.

Deleted: Professional Liability and Supplemental Liability are provided on an occurrence basis for allied health professionals.

Deleted: I

Deleted: employed, self-employed, or contracted* allied health professionals, allied health students, and allied health related

Deleted: provider entities which

Deleted: ¶

Deleted: 1. [1]

Deleted: 1. [2]

Deleted: Revised

Deleted: 2000

XII. LIMITS OF LIABILITY

A. The rates displayed in Rate Tables I and II under Section XVI are to be treated as follows:

1. Table I provides Professional Liability rates for all allied health professionals, other than Optometrists and Opticians, for limits of \$1,000,000/\$3,000,000.

The table below provides the Differential Limits Factors used in calculating Professional Liability rates for other optional limits below \$1,000,000/\$3,000,000. For Differential Limits Factors for limits above \$1,000,000/\$3,000,000, refer to company for the factor to be used.

Aggregate	25	100	200	250	500	1,000
75	0.395					
300		0.632				
500				0.752	0.822	
600			0.712			
750				0.758	0.830	
1,000					0.834	0.944
3,000						1.000

2. Table II provides Professional Liability rates for Optometrists and Opticians for limits of \$1,000,000/\$1,000,000.

The table below provides the Differential Limits Factors used in calculating Professional Liability rates for other optional limits up to \$1,000,000/\$3,000,000. For Differential Limits Factors for limits above \$1,000,000/\$3,000,000, refer to company for the factor to be used.

Per Professional Incident (000) / Aggregate	
100 / 300	0.449
200 / 600	0.590
250 / 750	0.638
300 / 800	0.682
400 / 900	0.760
500 / 1,000	0.816
1,000 / 1,000	1.000
1,000 / 2,000	1.010
1,000 / 3,000	1.020

XIII. DEDUCTIBLE

The basic Allied Health Professional Liability policy has no deductible.

For firms or entities, the following deductible options may be selected, and the insured is responsible for the entire amount of each loss up to the selected deductible amount.

Deductible eroded by Indemnity	Factor
\$2,500	.975
\$5,000	.950
\$10,000	.925
\$15,000	.900
\$20,000	.875

Deleted: Optional limits of liability are available with this policy. The maximum limits available are

Deleted: ¶

Deleted: 1.

Deleted: 2.

Deleted: Note:

Deleted: <#>The rates displayed in Tables I and II are to be treated as follows: ¶

Deleted: Table I provides Professional Liability rates for all Allied Health professionals, other than Optometrists and Opticians, for limits of \$1,000,000/\$6,000,000.

Deleted:

Deleted: 2,000 / 2,000

Deleted: rates shown in section XIV. Optional Coverages, C. General

Deleted: - Entities, are based upon limits of \$1,000,000/\$6,000,000. The table below provides the Differential Limits Factors to be used in calculating rates for other optional limits.

Deleted: Per Occurrence (000)

Deleted: Revised

Deleted: 2000

\$25,000	850
Over \$25,000	Refer to Company

Deductible eroded by Indemnity and Other Payments	Factor
\$2,500	0.968
\$5,000	0.935
\$10,000	0.903
\$15,000	0.870
\$20,000	0.838
\$25,000	0.805
Over \$25,000	Refer to Company

Deleted: <#>For professional liability limits higher than \$1,000,000/\$6,000,000 the following minimum premiums are to be used if the difference between the \$1,000,000/\$6,000,000 limit and the higher chosen limit is less than the amount indicated in the table below: ¶

XIV. OPTIONAL COVERAGES

A. Additional Insured

An additional insured may be added to the policy for a charge of \$250, with the exception of certified members of the National Association of Alcoholism and Drug Abuse Counselors (NAADAC) as defined in Note 1 under Rate Table 1 of Section XVI of these rules. For certified members of NAADAC the additional insured charge is \$50. Such additional insureds may include clinics, hospitals, etc., to which the insured may be contracted.

Lessors may be added to the policy as an additional insured at no additional premium. (All other additional insureds must be referred to the Company for underwriting.)

Additional insureds as described in this section will be added on a shared limits basis.

B. General Liability

General Liability is available for an additional premium. The occurrence General Liability premium is calculated at 10% of the mature claims made professional liability premium at the same limit of liability. If the General Liability coverage is provided on a claims made basis then the premium must be calculated as the occurrence premium multiplied by the appropriate step factor. The premium for other limits will be rated on a refer to company basis. Entities (Organizations including Corporations, Partnership, Joint Venture, Trust or Limited Liability Company) are subject to a minimum charge of \$250. If General Liability coverage is purchased, then Employee Benefits Liability coverage is available at no additional premium.

Insureds that purchase General Liability may obtain coverage for Certified Acts of Terrorism, as defined in the Terrorism Risk Insurance Act of 2002, for an additional premium charge of up to 5% of the otherwise applicable General Liability premium.

C. Non-Owned Automobile Liability

This coverage option is available for entities only. The premium is calculated by multiplying the applicable rate by the total number of employees. The rates for the available limits options (000) are shown in the table below, along with the minimum premiums applicable to this coverage option.

	\$250/\$250	\$500/\$500	\$1,000/\$1,000	\$1,000/\$3,000
Per Employee Charge	\$14	\$16	\$18	\$20
Minimum Premium	\$250	\$500	\$1,000	\$1,000

Deleted: Revised
Deleted: 2000

ACE AMERICAN INSURANCE COMPANY
ACE INSURANCE COMPANY OF ILLINOIS

Edition 8/2003

D. Claims Made Coverage

The following rating procedures apply to professional liability written on a claims made basis:

1. Determine the applicable occurrence premium.
2. Determine the retroactive date. If the date goes back 5 years or more, the Mature Claims-Made Factor from the Claims Made Step Factor table should be applied to the premium developed in 1. above.

Note: The retroactive date may be advanced only at the request of the insured or with the insured's written acknowledgement.

3. If the allied health professional is just entering practice, has been continuously insured under an occurrence policy or if no prior acts coverage is being provided, select the year 1 claims made factor from the Claims Made Step Factor table and apply it to the occurrence premium determined in 1. above.

4. If the allied health professional has been insured under a claims made policy for one or more years immediately preceding the effective date of the policy to be issued, and prior acts coverage is being provided, the following procedure will apply:

- a. Determine the number of years in which the allied health professional has been insured under a claims made policy.
- b. The number determined in a. above will be the "prior years of exposure". Fractional years of 6 months or more will be rounded up to the next higher year; less than 6 months will be rounded down to the next lower year.
- c. The selection from the Claims Made Step Factor table is made by adding one year to the "prior years of exposure" developed in a. and b. above. The additional year is to account for the new policy to be issued.
- d. The applicable factor in the Claims Made Step Factor table is to be applied to the premium developed in 1. above.

TABLE OF CLAIMS-MADE STEP FACTORS

YEARS	STEP FACTORS
YEAR 1	.55
YEAR 2	.69
YEAR 3	.82
YEAR 4	.91
YEAR 5 OR MORE (Mature)	1.00

E. Extended Reporting Period Coverage

An extended reporting period may be provided for up to an unlimited basis, subject to the following:

1. Except as described in 6. below, the extended reporting period is available only if the policy is cancelled or nonrenewed by either the company or the insured.

Deleted: Deductible [11]

Deleted: The following endorsement is used to add this coverage.¶

Deleted: Optional Endorsement [12]

Deleted: <#>REQUIRED COVERAGES OR ENDORSEMENTS ¶

Deleted: The two broad categories of allied health professionals and provider entities used to define the required coverages are as follows:¶

Deleted: <#>Employed Allied Health Professional¶

Deleted: Allied Health professionals who are employed are to be written using the following coverage form:¶

Deleted: Coverage Form: [13]

Deleted: 1. [14]

Deleted: <#>Self-Employed Allied Health Professional or Business Entity¶

Deleted: Business entities or Allied Health professionals who are self-employed are to be written using the following coverage form:¶

Deleted: Coverage Form: [15]

Deleted: 1. [16]

Deleted: <#>Physical Abuse or Sexual Misconduct Defense ¶

Deleted: The Allied Health Professional and Supplemental liability policy excludes coverage for physical abuse and sexual misconduct coverage. However, defense coverage is provided for such allegations up to the limit of liability provided under the Professional Liability.¶

Deleted: For selected categories of Allied Health professionals the exposure to this type of loss is significantly higher than the average and it will be necessary to reduce the limit of coverage to \$25,000 per claim or \$50,000 in the policy term. Professionals whose work involves counseling distressed and emotionally vulnerable clients, private and secluded treatment settings, or prolonged physical contact fall into this grouping. Such classes include but are not limited to:¶

Deleted: Revised

Deleted: 2000

2. The insured must notify us in writing of his or her election of the extended reporting period within 60 days of the effective date of termination of the policy.
3. Any earned premium due on the policy and the premium for the extended reporting period must be paid in full before the extended reporting period will be effective.
4. The entire premium for the extended reporting period will be deemed earned when the extended reporting period begins.
5. The premium for the extended reporting period will be developed by applying the appropriate factor from the table below to the mature claims made premium for Coverage A otherwise developed for the risk based on the rates and rules in effect for us at the time of purchase of the extended reporting period.

Claims-Made Year	Length of ERP (Years)				
	1	2	3	5	Unlimited
1	0.278	0.428	0.533	0.556	0.579
2	0.424	0.676	0.824	0.847	0.870
3	0.539	0.843	0.995	1.019	1.042
4+	0.602	0.915	1.071	1.095	1.119

6. The premium for the extended reporting period will be waived if the insured is an individual and:
 - i. Dies or becomes totally and permanently disabled during the policy period; or
 - ii. Retires, if at least age 55 and insured for professional liability by us for 5 or more continuous years.

If the insured returns to the practice of his or her professional services after retirement or after a period of total and permanent disability and after the issuance of the extended reporting period Endorsement and premium waiver, the extended endorsement will be cancelled unless the insured contacts us within 30 days to request an extended reporting period without waiver of premium and pays the appropriate extended reporting period premium developed from the rates, rules and rating plans in effect for us at the time of the insured's retirement or disability.

7. The extended reporting period does not increase or reinstate the limits of liability.

F. Leave of Absence

Subject to Company underwriting approval, coverage under an in-force policy may be suspended for a period of not less than 30 days and not more than six months. This suspension may be made without premium adjustment. The expiration of the policy is extended by the same length of time that the policy was suspended. This feature can be used for a parental leave, medical leave, military call-up to active duty, or a sabbatical.

XV. PREMIUM CALCULATION RULES

A. Base Rates

The premium for this policy is calculated on a "per professional" basis. The base rates will be applied in accordance with the allied health professional specialty as shown in Tables I and II of Section XVI. If two or more classifications apply to the same professional, the highest-rated classification is to be used.

~~Deleted: <#>Counselors whose practice involves more than 50% marriage and family therapy~~
~~<#>Psychologists~~

~~Deleted: This coverage is also to be sub-limited for any risk that has incurred physical abuse or sexual misconduct paid losses or reserves within the past 5 years. ¶~~

~~Deleted: The following endorsement is to be used for this purpose: ¶~~

~~Deleted: Mandatory Endorsement~~ [17]

~~Deleted: <#>OPTIONAL COVERAGES OR ENDORSEMENTS~~

~~Deleted: <#>Entity Coverage Extension - Corporation, Partnership, or Association ¶~~

~~Deleted: Professional Liability coverage can be extended to the professional corporation, partnership, or association entity for liability arising from the actions of the employed allied health professional named in the Declarations. Coverage is provided on a shared limit basis for no additional premium ¶~~

~~Deleted: If separate limits are to be extended to a corporation, partnership, or association, the limits must be equal to the highest limits provided to any one individual member allied health professional. The premium charge for this extension is 10% of the total professional liability premium ¶~~

~~Deleted: Optional Endorsement~~ [18]

~~Deleted: Revised~~

~~Deleted: 2000~~

B. Base Rate Adjustments.

1. Part Time. A part-time base rate adjustment factor of .50 will apply to any individual allied health professional who is selfemployed and works 16 hours or less per week.
-

Deleted: Revised

Deleted: 2000

C. Surcharges

Category	Surcharge
Supplemental Staffing	A surcharge of up to 25% will apply to entities or individuals engaged in supplemental staffing.
Registry	A registry surcharge of up to 25% will apply to entities or individuals that do registry services.
Background Check	A surcharge of up to 10% will apply to entities or individuals not performing background checks on their employees and independent contractors.
Nursing Homes / Assisted Living Centers / Long Term Care Facilities / Prisons	A surcharge of up to 25% will apply to entities or individuals that do staffing of Nursing Home Facilities, Assisted Living Centers, Long Term Care Facilities, or Prisons.
High Tech / Critical Care	A surcharge of up to 25% will apply to entities or individuals engaged in high tech / critical care services, including Surgical, Pediatric, Infusion Therapy, and Tracheotomy/Ventilator Care.

The surcharges shown above are additive if more than one applies, subject to a maximum surcharge of 65%.

D. Full Time Equivalent (FTE)

For all types of risks other than individuals and students, calculate the number of applicable FTEs as follows:

In accordance with the professional rate classifications, sum the total annual hours worked for each classification. Divide each of these totals by classification by 2000 hours (one Full Time Equivalent) to establish the number of FTE slots to be charged for each classification. Fractions of FTE slots per applicable classification grouping will be rounded up to the next highest FTE.

E. Schedule Rating

The schedule rating credit or debit will be equal to the sum of the selected credits or debits given for each of the individual risk characteristics shown in the table below, subject to a maximum credit or debit of 25%.

Characteristic	Max Credit	Max Debit
Claims History	25%	25%
Risk Management	20%	20%
Nature of Operations	15%	15%

F. Territorial Multiplier

Apply the territorial multiplier shown in the state exception pages. Select the territorial multiplier associated with the territory in which the individual works.

G. Entity Rating Factor

An entity rating factor of up to 1.20 will apply to all entities (Organizations including Corporations, Partnership, Joint Venture, Trust or Limited Liability Company) in addition to any other rating factors that apply, subject to a minimum charge of \$1,000. This rating rule is applied after the application of the

Deleted: Optional Endorsement [19]

Deleted: <#>General Liability -- Entities.¶

¶
General Liability (part of Supplemental Liability) is automatically included for employed individuals and self-employed individuals. Entities or firms that are purchasing Professional Liability may obtain General Liability for an additional premium. The premium at limits of \$1,000,000 per Occurrence and ¶
\$6,000,000 Aggregate is as follows:¶

Locations [20]

Deleted: The maximum General Liability limit available is \$1,000,000 per Occurrence / \$6,000,000 Aggregate. Use the Differential Limits Factors (section XI. C.) to determine the at-limits premium for alternative limits of liability. In all cases, however, the General Liability limit must be equal to the Professional Liability limit.¶

Deleted: The at-limits Supplemental Liability premium is added to the Total Policy Premium developed below (section XVI. PREMIUM CALCULATION).¶

Deleted: If entities or firms do not desire to purchase General Liability, it must be excluded by endorsement and no charge is made. The following endorsement is used for that purpose.¶

Deleted: Optional Endorsement:

Deleted: PF-6Y07a (4/99)

Deleted: General Liability Exclusion

Deleted: ¶

<#>Non-Owned Automobile Liability¶

¶
This coverage option is available for entities only. The premium for 1 – 10 employee firms is based upon a flat charge. For entities with 11 or more employees the premium is calculated by multiplying the rate by the total number of employees. The rates for the available limits options (000) are shown in the table below.¶

Deleted: # Employees [21]

Deleted: The following endorsement is used to add this coverage.¶

Deleted: Revised

Deleted: 2000

increased limits factor but before any other rating factors. This rating rule also applies to student blanket policies.

H. Internet Discount

A 5% credit shall be applied to policies marketed through electronic commerce distribution channels.

XVI. Rates

Table I

Professional Classification	Professional Rate	Student Rate
Addiction Counselor (NAADAC Program) (1)	199	25
Addiction Counselor (Non-NAADAC) (2)	433	25
Addiction Interventionist	577	N/A
Administrative/Clerical	130	43
All other Aide, Assistant, or Technician	311	104
Art, Music, Dance, Pet, and Recreation Therapist (2)	311	N/A
Audiologist	311	104
Auricular & Full Body Acupuncture Therapy and Counseling	866	286
Auricular Acupuncture Therapy and Counseling	433	143
Behavioral Analyst	433	25
Blood Bank Technician	311	104
Cardiology Technician	311	104
Case Workers and Case Manager (2)	433	144
Certified Employee Assistance Professional	333	25
Certified Tech / Assistant	311	104
Companion	150	50
Cytotechnologist	311	104
Dental Assistant	130	43
Dental Hygienist	311	104
Dialysis Technician	311	104
Dietician/Nutritionist	311	104
EKG/EEG Technician	311	104
Health Educator (2)	311	104
Home Health Aide	200	67
Homemaker	150	50
Intern Mental Health/Addiction Counselor	311	NA
Lab Technician	311	104
Licensed or Certified Mental Health Counselor (2)	433	25
LPN	311	104
Marriage and Family Therapists/Counselor (2)	433	25
Massage Therapist	577	192
Medical Office Assistant	130	43
Medical Records Technician	311	104
Medical Technologist	311	104
MRI Technician	311	104
Nurse Aide	180	60
Nurse-Practitioner	1250	417
Nurse/RN	350	117

Deleted: Optional Endorsement [22]

Deleted: <#>Prior Acts¶

¶
When an Insured is converting from a claims-made form to the occurrence coverage provided under this policy, and subject to prior approval of the Company, Prior Acts coverage may be purchased on a selected basis. The following rules apply:¶

¶
<#>Coverage is available only for non-interrupted claims-made coverage immediately preceding the effective date of this policy.¶

¶
<#>The premium for Prior Acts coverage is a one-time charge which will be fully earned at inception. The Company will not return to the Insured any portion of the Prior Acts premium for any reason once the coverage has been initiated.¶

¶
The Prior Acts premium is determined for each individual by applying the appropriate factor from the table below to the annual professional liability rate found in

Deleted: on the State Exception Page. For partial claims-made periods use the closest factor.

Deleted: Claims-Made Period [23]

Deleted: Revised

Deleted: 2000

Occupational Therapist	400	133
Paramedics/EMTs (Eligible for Students Only)	N/A	200
Pastoral Counselor	433	N/A
Pathology Assistant	311	104
Patient Intake Technician	130	N/A
Personal Coach	433	N/A
Pharmacist (Mail Order, Nuclear)	750	250
Pharmacist (Non-Mail Order - Non-Nuclear)	600	200
Pharmacy Assistant	200	67
Pharmacy Technician (Dispensing)	300	100
Phlebotomist	311	104
Physical Therapist	577	192
Physician's Assistant	N/A	667
Psychological Assistant (Masters Degree) (2)	577	N/A
Psychologist (Bachelors or Masters Degree) (2)	1250	N/A
Psychologist (Doctorate Degree)	1250	Post Doctoral 311
Radiological Technologist	311	104
Rehabilitation Counselor/Therapist	433	25
Rehabilitation Counselor/Therapist Assistant	311	N/A
Respiratory Assistant	311	104
Respiratory Therapist	600	200
Social Worker (2)	433	25
Speech Therapist (2)	400	133
Surgical Assistant	N/A	667
Surgical Technologist	311	104
Surgical Technologist/First Assistant	311	104
Ultrasound Technician	311	104
Utilization Review Technician (2)	433	N/A
Volunteer	130	N/A
Wellness Counselor (2)	433	25
X-Ray Machine Operator/Technician	311	104

Note 1. Certified Members of the National Association of Alcoholism and Drug Abuse Counselors (NAADAC) are to be written in conjunction with the Behavioral Health Purchasing Group with the rate shown in Table I for limits of \$ 1,000,000 Per Professional Incident / \$ 3,000,000 Aggregate. This rate contemplates coverage for individuals who have been NCAC certified as members of NAADAC. The only Optional Coverages under Section XIV offered for these members are the Entity Coverage Extension, the Additional Insured Endorsement and Claims Made Coverage.

Note 2. A credit of up to 50% applies to individuals who receive primary professional liability coverage from their employer.

Table II

Allied Health Professional Liability Rate Table - Optometrists/Opticians		
Basic Limits - \$1,000,000 / \$1,000,000		
Professional Classification	Professional Rate	Student Rate
Optometrists	416	139
Opticians	293	96

Deleted: Revised

Deleted: 2000

The following allied health categories are not eligible for coverage under this policy:

- 3/8/2004 2:18 PM

- 3/8/2004 2:18 PM

- 3/8/2004 2:18 PM

3/8/2004 2:18 PM

	Per Professional Incident (000)						
Aggregate	25	100	200	250	500	1,000	2,000
75	0.391						
300		0.626					
500				0.744	0.814		
600			0.705				
1,000					0.826	0.935	
3,000						0.990	
4,000							1.221
5,000						0.997	1.231
6,000						1.000	1.242
7,000						1.003	1.245
8,000						1.007	1.249
9,000						1.010	1.252

10,000						1.014	1.256
--------	--	--	--	--	--	-------	-------

Table II provides Professional Liability rates for Optometrists and Opticians for limits of \$1,000,000/\$1,000,000. The table below provides the Differential Limits Factors used in calculating Professional Liability rates for other optional limits.

Per Professional Incident / Aggregate
--

Page 3: [7] Deleted

Karen N. Moore

3/8/2004 2:18 PM

2,000 / 2,000	1.145
3,000 / 3,000	1.260
4,000 / 4,000	1.325
5,000 / 5,000	1.375

Page 3: [8] Deleted

Karen N. Moore

3/8/2004 2:18 PM

Per Occurrence (000)					
	25	100	200	500	1,000
75	0.532				
300		0.741			
600			0.829	0.903	
1,000				0.917	0.947
3,000					0.976
5,000					0.998
6,000					1.000

Page 4: [9] Deleted

Karen N. Moore

3/8/2004 2:18 PM

Per Incident (000)	Aggregate (000)	Min Prem
1,000	7,000	\$25
1,000	8,000	\$30
1,000	9,000	\$35
1,000	10,000	\$40
2,000	4,000	\$35
2,000	5,000	\$50
2,000	6,000	\$65
2,000	7,000	\$75
2,000	8,000	\$80
2,000	9,000	\$85
2,000	10,000	\$90

On multi-year policies limits are automatically reinstated on the annual renewal.

All policies are written on a shared limit basis, unless an individual insured chooses to have the corporation or partnership added as an additional insured with separate limits extended to cover that additional insured (see XIV. OPTIONAL COVERAGES, A. Entity Coverage Extension – Corporation, Partnership, or Association).

The Corporation, Partnership or Association entity

Page 4: [10] Deleted	Karen N. Moore	3/8/2004 2:18 PM
Optional Endorsement:		
PF-8Y12 (11/98)	Additional Insured – Partnership, or Association	Corporation,

Shared limits means a single limit of liability that applies to each medical incident or occurrence, regardless of the number of insureds involved in the incident. A shared Aggregate limit of liability will apply per policy period to all insured's, with the exception of those individuals written on a blanket basis who choose a "separate aggregate limit of liability option" (see XV. PREMIUM CALCULATION RULES, E. Student Blanket).

Page 5: [11] Deleted

Karen N. Moore

3/8/2004 2:18 PM

Deductible	Factor
\$ 5,000	.950
\$10,000	.925
\$15,000	.900
\$20,000	.875
\$25,000	.850

Page 5: [12] Deleted	Karen N. Moore	3/8/2004 2:18 PM
Optional Endorsement:		
PF-8Y15 (3/99)	Liability Deductible Endorsement	

Page 5: [13] Deleted	Karen N. Moore	3/8/2004 2:18 PM
Coverage Form:		
PF-8Y40 (4/99)	Allied Health Professional and Supplemental Liability Policy (Employed Individuals)	

Page 5: [14] Deleted	Karen N. Moore	3/8/2004 2:18 PM
1. Professional Liability	Selected Professional Liability Limit	
Personal Injury	Included	
2. Licensing Board Defense	\$5,000 Each Investigation/\$10,000 Policy Term	
3. Supplemental Liability	Selected Supplemental Liability Limit	
4. Medical Expense Coverage	\$2,000 Per Person/\$100,000 Aggregate	

- | | | |
|----|------------------------------|--|
| 5. | First Aid Coverage | \$2,500 Aggregate |
| 6. | Assault Coverage | \$5,000 Aggregate |
| 7. | Defendant's Reimbursement | \$500 Per Day/\$10,000 Per Incident/Occurrence |
| 8. | Deposition Fees and Expenses | \$5,000 Per Deposition |
| 9. | Damage to Property of Others | \$500 Each Occurrence / \$5,000 in Policy |

Page 5: [15] Deleted

Karen N. Moore

3/8/2004 2:18 PM

Coverage Form: PF-8Y41 (4/99) Allied Health Professional and Supplemental Lia Policy (Business Entity and Self-empl Individuals)

Page 5: [16] Deleted

Karen N. Moore

3/8/2004 2:18 PM

- | | | |
|-----|--|---|
| 1. | Professional Liability | Selected Professional Liability Limit |
| | Personal Injury and Advertising Injury | Included |
| 2. | Licensing Board Defense | \$5,000 Each Investigation/\$10,000 Policy Term |
| 3. | Supplemental Liability | Selected Supplemental Liability Limit |
| | General Liability | Included |
| | Host Liquor Liability | Included |
| 4. | Fire & Water Damage Legal Liability | \$100,000 |
| 5. | Medical Expense Coverage | \$2,000 Per Person/\$100,000 Aggregate |
| 6. | First Aid Coverage | \$2,500 Aggregate |
| 7. | Assault Coverage | \$5,000 Aggregate |
| 8. | Defendant's Reimbursement | \$500 Per Day/\$10,000 Per Incident/Occurrence |
| 9. | Deposition Fees and Expenses | \$5,000 Per Deposition |
| 10. | Damage to Property of Others | \$500 Each Occurrence / \$5,000 in Policy |

Page 6: [17] Deleted

Karen N. Moore

3/8/2004 2:18 PM

Mandatory Endorsement: PF-8Y73 (4/99) Sexual Misconduct – Limited Def Endorsement

Page 6: [18] Deleted

Karen N. Moore

3/8/2004 2:18 PM

Optional Endorsement: PF-8Y12 (3/99) Additional Insured – Corporation, Partnership, or Association

Additional Insured

An additional insured may be added to the policy for a charge of 10% of the professional liability premium, subject to a minimum premium of \$50. Such additional insureds may include outpatient surgical centers, hospitals, etc., to which the insured may be contracted.

Lessors may be added to the policy as an additional insured at no additional premium. (All other additional insureds must be referred to the

Company for underwriting.)

Additional insureds as described in this section will be added on a shared limits basis.

The following endorsements are used to add this coverage:

Optional Endorsement: PF-8Y16 (3/99) Additional Insured Endorsement

Optional Endorsement: PF- 2W95a Additional Insured (Leased Premises) (10/98)

Page 8: [19] Deleted Karen N. Moore 3/8/2004 2:18 PM

Optional Endorsement: PF-2W96a Additional Insured (Leased Equipment) (10/98)

Page 8: [20] Deleted Karen N. Moore 3/8/2004 2:18 PM

General Liability – Entities.

General Liability (part of Supplemental Liability) is automatically included for employed individuals and self-employed individuals. Entities or firms that are purchasing Professional Liability may obtain General Liability for an additional premium. The premium at limits of \$1,000,000 per Occurrence and \$6,000,000 Aggregate is as follows:

Locations	Premium
First	\$163
Each Additional	\$110

Page 8: [21] Deleted Karen N. Moore 3/8/2004 2:18 PM

# Employees	Charge	\$500/\$500	\$1,000/\$1,000	\$1,000/\$3,000
1 – 10	Flat	\$70	\$80	\$90
11 or More	Per/Emp	\$7	\$8	\$9

Page 9: [22] Deleted Karen N. Moore 3/8/2004 2:18 PM

Optional Endorsement: PF-5Y68a (5/99) Non-owned Automobile

Page 9: [23] Deleted Karen N. Moore 3/8/2004 2:18 PM

Claims-Made Period	Factor
1 to 90 Days	.10
91 to 180 Days	.25
One Year	.50
Two Years	.75
Three Years	.90

Four or More Years	1.00
--------------------	------